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Near East & South Asia

INDIA

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INTERNATIONAL AFFAIRS

Commentator: Foreign Policy Leans Toward U.S.
92AS0608A Madras *THE HINDU* in English
20 Jan 92 p 8

[Article by K.K. Katyal]

[Text] The untold story of the U.S. efforts to contain the spread of nuclear weapons in South Asia can now be told. That Washington had been keen on India (and Pakistan) signing the Non-Proliferation Treaty [NPT] has been evident. But the alternative suggested by it is not known. What it favoured was a conference of five nations—India, Pakistan and the three nuclear powers, the United States, the Soviet Union (it will be Russia now), and China—in Washington to consider confidence-building measures, including the commitment by New Delhi and Islamabad against first nuclear strike against each other. This was what Mr. Reginald Bartholomew, a senior U.S. official, had proposed and this was what Senator Larry Pressler meant when he publicly called for a Camp David-type conference between India and Pakistan.

The concept of five-power talks was also the core of the Pakistan Prime Minister, Mr. Nawaz Sharif's proposal—he wanted these very five nations to be involved in an effort for a nuclear-free South Asia. Although, chronologically, Mr. Sharif came out with his proposal first and the United States later, it was widely suspected that he merely developed an idea, emanating from Washington.

India objected to Pakistan's formula on various counts, notably because a nuclear-free zone was considered meaningless in view of the global reach of nuclear weapons. Such a proposition did not make much sense to New Delhi because Pakistan had gone ahead with the acquisition of the nuclear weapon capability. The U.S. proposal was intended to meet India's sensitivity against a regional approach to the nuclear spread, as also against the Non-Proliferation Treaty.

But the U.S. suggestion came in conflict with India's stress on bilateralism in its dealings with Pakistan. Then there were the implications of Washington as the venue for the proposed talks—Geneva or even New York, perhaps would not have evoked that strong an objection. New Delhi could not gauge the logic of involving the three other powers. Were they meant to be guarantors for whatever arrangement might be forged? Was their presence intended to facilitate the dialogue between India and Pakistan? The reference to the Camp David-type conference suggested that this could be the objective.

The Prime Minister, Mr. P.V. Narasimha Rao, was prompt in rejecting the idea when it was publicly commended by Mr. Pressler. The two countries, New Delhi argued, were already engaged in a dialogue at various levels and a third party's help would be superfluous. As Mr. Rao told Mr. Pressler, pointing to the hot-line telephone on a near-by table: "I can pick it up any time and talk to Mr. Sharif."

The United States has made no secret of the course it would like to be followed by India and Pakistan. Its first preference was the NPT but it was aware of New Delhi's views. As Mr. Bartholomew told his hosts, in India: "We would like you to sign the NPT but we know you won't". A regional arrangement was the second preference. A recent report of the Deputy Assistant Secretary of State for South Asian Affairs, Mrs. Teresita Schaffer, makes this point clear. "One focus of U.S. policy for the region—and one in which Pakistan will play a major role—is the effort to encourage and develop a "regional understanding" on nuclear proliferation. Although the traditional positions of Pakistan, India and neighbouring China are incompatible, there is scope for progress", she said.

The purpose in recounting these developments is to bring out the sharpness of divergence in India-U.S. perceptions on nuclear matters. At the same time, as the numerous other events suggest, the two countries have moved closer to each other as never in the past since India's independence. That the differences on the nuclear issues have not cast their shadow on the growing proximity between the two countries is significant indeed.

The Teresita Schaffer report deals with this aspect too. It finds an "interesting evolution" in 1991 in the Indian public attitudes towards the United States "as the people and Government of India have thought through the implications of the end of the cold war, the changes in East-West politics, the present difficulties of the former Soviet States and new possibilities for international consensus—as demonstrated by the Gulf war. We are very encouraged by this. We don't expect that on all issues we will see eye to eye with the Government of India—but I don't think of any Government of which that is true".

The "interesting evolution" undergone by Indo-U.S. relations is now an essential element of India's foreign policy—so also of Washington's. Vaguely discernible initially, this facet is now clear beyond doubt. The change is evident from (1) India's voting pattern at the United Nations; (2) the moderation shown by India while articulating its position on issues on which differences with the United States persist; (3) the view of Washington provided by the "Pakistan prism" which is how India looks at U.S. postures and (4) statements on behalf of the U.S. administration and by influential members of Congress.

During the cold war, Washington's main yardstick for testing other nations' professions of friendship was their voting behaviour. On this count, India's record was not found "satisfactory" because on most crucial issues and crucial occasions, it sided with the Soviet Union rather than the United States. That is no longer the case now. True, Washington has no longer to reckon with a rival power bloc, and, to that extent, the options for the countries like India to take a position, not palatable to the United States, have been considerably reduced. Even then, there have of late been occasions, calling for a crucial choice whether to go along with the United States or not and India chose the first course. A recent notable case was

the vote for abrogating the "Zionism is racism" determination, where India responded positively to U.S. suggestions. That the Arab and Muslim world was divided on the issue was a different story. Another occasion will come this week—the Security Council's vote on the resolution, co-sponsored by the United States, U.K. and France, on Libya's role in relation to acts of terrorism. After detailed examination of the pros and cons, India has decided to support it.

In its public statements, India has taken special care not to offend U.S. sensitivities on any of the major issues, including those where New Delhi differs strongly from the American position. The shape of the new world order, notably its economic content, is one, the bilateral problem arising from issues connected with intellectual property rights and patents is another. Both at the recent Commonwealth summit at Harare and the G-15 summit at Caracas, the Prime Minister, Mr. P.V. Narasimha Rao, said everything that needed to be said in expounding the Indian viewpoint but put forward his argument in a philosophical vein—which, in any case, is his forte—and, thus, muffled the blow. The same caution was evident on the nuclear issue (referred to earlier). No shrill voices of protest against the U.S. bid to impose a discriminatory regime on India, no reference to hegemonic designs of the Super Power, but matter-of-fact re-statements of known policies.

The Indo-U.S. relationship has been and continues to be a part of a triangular pattern, involving Pakistan. For decades, Washington's tilt towards Pakistan was the cause of annoyance in India. The concessional supply of arms to Pakistan by the United States added to complications. During the ten years of the fighting in Afghanistan, Pakistan was the frontline state for the United States—and as such the conduit for massive military supplies to the Mujahideen—a large part of which did not reach the intended destination. What it meant for the Indo-U.S. relations was not hard to imagine. It is a different story now. Pakistan has lost the earlier strategic relevance to the United States, because of the end of the cold war. The U.S. action in suspending aid to Pakistan because of the latter's nuclear ambitions completes the removal of the earlier tilt. Also, it is seen here as a vindication of the Indian charge that contrary to its professions and assurances to the United States, Pakistan has gone ahead with the development of nuclear weapon capability surreptitiously. What Mr. Pressler said during his recent visit to the sub-continent was music to the ears of Indians. He confirmed that Pakistan has a bomb, spoke of India's nuclear innocence.

The U.S. stand on Kashmir, though not on all fours with New Delhi's position, has pleased Indians. Washington no longer regards the U.N. resolutions on plebiscite in Kashmir as valid propositions and favours bilateral discussions within the framework of the Shimla Agreement. Indians regard the shift in the U.S. policy a major gain. This is so even though Washington considers Kashmir a disputed territory, finds inadequate India's response to the situation created by the estrangement of the people of the valley and shows anxiety for Indo-Pakistan talks on Kashmir.

In the new, changed context, there is a sudden burst of statements from both sides, stressing their common features, their shared concerns—adherence to democratic norms, free society, freedom of the Press and the judiciary. Also recalled is their proximity in the early Sixties in the wake of India's conflict with China, that covered the sensitive defence field. The contribution to the American society of the growing Indian community is considered another binding factor.

The qualitative change in the global power balance, following the disintegration of the Soviet Union has greatly helped the process that made a halting start in the mid-Eighties during Indira Gandhi's second tenure as Prime Minister and received a feeble push when Rajiv Gandhi succeeded her. A major irritant, bedeviling the Indo-U.S. ties vanished with the end of the cold war. No longer was Washington bothered by the thought of India's close links with the Soviet Union after Moscow itself turned to Washington for help and support. The United States is very much conscious of this point though it is not rubbed too hard.

Further Reportage on Senator Pressler's Visit

New Delhi Press Conference

[Boldface words as published]

92AS0611A Madras *INDIAN EXPRESS* in English
12 Jan 92 pp 1, 13

[Text] New Delhi. The visiting U.S. Republican Senator and author of the Pressler Amendment, Mr. Larry Pressler, gave India a clean chit on the sensitive nuclear issue on Saturday, saying that he was opposed to extending the Amendment to India as he was convinced that it was not making a bomb.

Pakistan has been denied U.S. aid since last year under the Pressler Amendment after President George Bush failed to give the U.S. Congress the necessary guarantees about Islamabad's nuclear programme.

"It would be horrendously embarrassing to me if India came up with a bomb. But I have been told there is absolutely no possibility of that and there is no evidence to suggest it," he declared at a crowded press conference on the second day of his official visit to India.

India cautioned: Even as he acknowledged India's position about its peaceful nuclear programme, Mr. Pressler cautioned strategic planners and policy makers here to look carefully at the dangers posed by the possible emergence of a loose confederation of Islamic fundamentalist states near India's borders, consisting of Pakistan, Afghanistan, the five Central Asian republics of the former Soviet Union, Iran and parts of Turkey.

Pointing out that these nine nations form a geographically contingent belt, the U.S. Senator emphasised that they had the potential of becoming a major force in the world by the end of the nineties, especially since some of the former Soviet republics already have nuclear weapons or have the potential of developing them.

Mr. Pressler said that the world would need a new kind of diplomacy to deal with an Islamic fundamentalist force of this nature and the world community should put pressure on the former Soviet republics to transfer their nuclear weapons to Russia.

He admitted that he had raised these issues with Indian government leaders and officials during his talks and would discuss them in Islamabad as well. "I will try and persuade Pakistan from an erroneous decision," he said. "We have to try and stop Pakistan's nuclear programme."

While cautioning India about the Islamic fundamentalist threat around its borders, he pointed out that any change in India's nuclear policy because of this could "jeopardise" Indo-U.S. relations which were at present "the best they have ever been".

Camp David-type summit mooted: The U.S. Senator expressed support for a Pakistani proposal for a five-nation meet to discuss a nuclear-free zone in South Asia and lamented that although both Pakistan and India say almost the same thing about a peaceful solution to outstanding problems, "there seems very little give on either side". He suggested that the United States could perhaps find a forum, a Camp David like summit, for the two countries to discuss the immense problems that seem to exist.

In reply to a question about western "double standards" on the nuclear issue, the U.S. Senator frankly admitted that they exist. "I don't advocate double standards," he said. "But they are there and I think it would be unrealistic to expect the five permanent members of the UN Security Council to give up their nuclear weapons."

He said that although he would like to see India sign the Nuclear Non-Proliferation Treaty, he was not critical of India's reluctance to sign it.

Referring to the changes that have taken place in the world, Mr. Pressler said he was hopeful that there would be changes on the nuclear front as well with more emphasis by all countries on nuclear energy for peaceful purposes. He pointed out that environment groups were changing their stand on nuclear power because of the excessive pollution caused by burning coal for energy. This was a positive development for the nineties.

A negative consequence of recent international changes was the resale of arms that are no longer needed. "Policy makers have to take a look at the secondary arms market and see where used arms are going," he warned.

Interview With THE HINDU

92AS0611B Madras *THE HINDU* in English
19 Jan 92 p 1

[Text] Madras, Jan 18. The U.S. Senator, Mr. Larry Pressler, may "sponsor new legislation" in his country "to help reduce nuclear arms or conventional arms all over the

world." The high-profile member of the U.S. Senate Foreign Relations Committee indicated in an exclusive interview here that he is seeking to "broaden" the scope of the existing Pressler Amendment and to make it applicable "world wide."

The Amendment, which was originally moved on the basis of the Senator's "information that Pakistan was going forward in the direction of nuclear bomb," has been invoked by the U.S. President, Mr. George Bush. The American military and economic aid to Islamabad was first suspended in October 1990 when Mr. Bush refused to certify that Pakistan was not in possession of a "nuclear explosive device." The suspended aid has not been resumed so far.

Mr. Pressler sounded a note of caution that it might be too early at this stage to foresee if and when his new proposals would "see the light of day" as a duly enacted U.S. law.

He said: "I am working on the (proposed new) amendment (to the U.S. Foreign Assistance Act). Countries which receive U.S. aid or the most favoured (trade) privileges should demonstrate a reduction of nuclear weapons and conventional weapons." The tax-payer in the U.S., he suggested, should be sure that "we (the Americans) are not indirectly contributing to the (global) arms race."

The emphasis on nuclear arms reduction and the reference to countries with trade privileges would indicate the Senator's apparent desire to bring the nuclear powers, China in particular, under the purview of his new proposals.

The Senator, who made a quick and unpublicised visit to the sensitive rocket launching station at Sriharikota near Madras on Friday, said it was in fact a "simple" affair. His trip should be seen in the larger context of his membership of the U.S. Senate Sub-Committee on Space. "I had been to the French Guyana launch site and to the European launch site in South America. I am very interested in the peaceful use of satellites for information (technology)."

He was also "very impressed with the people's dedication" at Sriharikota. Asked if he would regard the Sriharikota range as a facility that could be put to use for defence purposes, Mr. Pressler said he "did not get that sense of a military orientation."

On the larger issue of Delhi's status in the nuclear arms race, the Senator, observed: "I believe India is playing straight on this issue. I will be horrendously embarrassed if India (eventually) comes up with nuclear weapons."

Reaffirming his "judgment that Pakistan has gone over the line (in atomic armament)," Mr. Pressler made out a case that "India should go to the five-power talks." The reference is to a proposal which the Pakistan Prime Minister, Mr. Nawaz Sharif, had made in June last year. Islamabad has subsequently indicated that the proposal was actually authored by the United States itself. The idea was that the United States, the Soviet Union (or now, Russia, as the principal successor-State) and China, besides India and Pakistan, should hold a summit to declare South Asia a nuclear-weapons-free zone.

According to the Senator, who later left for Colombo on the next leg of his current South Asia tour, "India should be very self-confident" about its participation in such a five-nation summit if only because Delhi has not acquired nuclear weapons.

Asked whether his latest mission to South Asia was linked to the emerging signs of the United States evincing a new strategic interest in India, Mr. Pressler said the Bush administration would be "horrified" at such a role being attributed to a Senator who was on a private voyage of discovery. He also sought to dismiss speculation that the political magnitude of his public observations, during this visit, had given it the appearance of a Kissinger-style mission.

On his likely recommendations, if any, to the Bush administration, the Senator said he would take the line that "the (existing) Pressler amendment is working well. Also, I think we need to have some more amendments (for) world wide (application)."

He observed: "Some of the (U.N.) Security Council members are reducing nuclear stockpiles. I hope the other members would join in such effort, the ultimate dream is that, under the United Nations, countries will be rewarded for the reduction of nuclear weapons."

Mr. Pressler further indicated without being categorical that his move for new legislation in the U.S. Senate could serve as a "first step"—by laying down conditions based on the principles that govern the Nuclear Non-proliferation Treaty [NPT]. He did not, however, indicate directly or even indirectly that India's stand on the NPT question would come under the purview of his formative proposals.

Asked why he did not seem to link the U.S. aid flows to the question of human rights in the recipient countries, Mr. Pressler said he was "not in a position to make a final judgment" at this juncture. He also hinted that one reason for his hesitation was the fact that his entire approach to the question of U.S. military and economic aid was, in a sense, coloured by his singular experiences in those Senate committees which primarily focus on the more traditional aspects of defence and foreign policy.

Papers Report Maltese President's Visit

Banquet Speeches Summarized

92AS0609A *Bombay THE TIMES OF INDIA*
in English 14 Jan 92 p 15

[Text] India and Malta today called for efforts to restore the unity of the non-aligned movement [NAM] and find a "contemporary role" for the Third World group in the emerging international situation.

Hosting a banquet in honour of the Maltese President, Dr. Censu Tabone, the President, Mr. R. Venkataraman, said India believed that much of the conflicts would disappear if states accept the universally accepted norms of interstate conduct.

Mr. Venkataraman also said special attention had been devoted by India to the building of mutually beneficial relations with its neighbours besides adhering to its avowed policy of promoting goodwill with all countries.

Replying to the toast, Dr. Tabone said both the countries should work together as credible advocates of change in NAM's search for a contemporary role.

Both India and Malta should assume the responsibility along with others in directing the energy of NAM for re-vitalising the United Nations.

Talking to newsmen at Rashtrapati Bhavan soon after arrival, Dr. Tabone said NAM was still trying to find its new role in the emerging situation but was confident that it would continue to be relevant.

Referring to the world situation, Mr. Venkataraman said the old confrontation between superpowers had yielded place to mutual co-operation in areas like nuclear and general disarmament. The world welcomed the end of the cold war, for which Malta had played a catalyst, he added.

Dr. Tabone said Malta shared India's determined stand on disarmament and the removal of all nuclear weapons.

Both Mr. Venkataraman and Dr. Tabone stressed the need for strengthening economic co-operation and technological tie-ups.

The Maltese leader, however, regretted that the exchanges between the two countries were not yet at a rate commensurate with the real potential and the existing opportunities.

Results have not been spectacular even though the main avenues for economic co-operation were identified at the end of a visit of an Indian business delegation to Malta in 1989, he added.

Mr. Venkataraman said India was watching with interest the evolving situation in Europe.

Aid in Commerce Offered

92AS0609B *Madras INDIAN EXPRESS* in English
15 Jan 92 p 9

[Text] New Delhi. Malta has offered India the use of its free port and dry dock facilities for shipping Indian goods to Europe and Africa to offset the trade imbalance between the two countries. It has also suggested that India use Malta's status as an Associate Member of the European Community to export more goods to the EC.

The offers were made in the wideranging talks held between the visiting Maltese President Censu Tabone, and Prime Minister Narasimha Rao as well as the discussions between Maltese Foreign Minister Guido de Marco and Minister of State for External Affairs Eduardo Faleiro, on Tuesday.

The Maltese leaders also urged India to consider triangular trade arrangements between Malta, India, Russia and Ukraine.

Later, addressing a press conference, the Maltese President said the trade balance between India and Malta was in favour of India and since Malta did not have many goods which it could offer to India, the latter could consider using his country's shipping facilities to offset the imbalance. He pointed out that the dockyard services in Malta were considered among the best in the world. He said their docks have excellent facilities for ship repair. In addition, the island has modern shipment services with stores for keeping goods in bond for transhipment.

Malta's strategic geographical position in the Mediterranean Sea right between the continents of Africa and Europe could be useful for India, he stressed.

He said the three Maltese businessmen accompanying him had a "good encounter" with Indian businessmen. "We are hopeful of finding more avenues for greater collaboration," Mr. Tabone said.

In his talks with Mr. Narasimha Rao earlier in the day, the Maltese President regretted that both countries had not taken enough advantage of the opportunities offered by the close political ties they shared.

The two leaders also discussed the fast changing world, concentrating on developments in Europe and the emergence of a unified EC market.

While welcoming the trend, Mr. Narasimha Rao expressed the hope that the new EC would continue to remain conscious of the needs of the developing world.

Mr. Tabone pointed out that Malta shared the apprehensions of the developing world about an inward-looking Europe. He maintained, however, that there was a new and welcome trend perceptible in European thinking and EC leaders were now looking outwards.

Talks With China on Border Impasse Viewed 92AS0529B Varnasi AJ in Hindi 11 Jan 92 p 6

[Article by Dr. Rajeshwar Prasad Gupta: "When Will the Indo-China Border Dispute Be Resolved?"]

[Text] The greatest block to Indo-Chinese friendship is the border disagreement between the two. India's disagreement with China is over two borders—the McMahon line in the northeast, and Ladakh in the northwest. India considers the McMahon line to be the border between China and India; however, China calls it a colonial line. A map published by communist China in 1950-51 showed a large part of India as part of China. When the Indian Government brought China's attention to it, it was told that the maps were made by mistake, and that the Chinese Government would take care of it soon. This was the era of "Indians and Chinese are brothers." Therefore, India did not suspect China. China did not change its map, however, and its claims on Indian lands increased with each edition of its maps. It claimed 12,000 square miles in the western part, 32,500 in the eastern part, 500 in the central part, and 5,000 in Kashmir's Karakoram Pass.

In March 1960, Chinese Prime Minister Chou En-Lai came to New Delhi to discuss the Indian-Chinese border

problem. China wanted to resolve the border issue on a give-and-take basis. It was willing to withdraw its claim in the NEFA [Northeast Frontier Agency] area if India accepted its claim in Ladakh. India, however, rejected the Chinese proposal. No solution to the border problem was reached after these talks, and China attacked India in October 1962. The Chinese aggression made the India-China border problem more serious, and relations between the two countries became hostile.

The Janata party government was established in India in 1977. This government started efforts to improve relations with China and to find solutions to the border issue. To this end, Atal Bihari Bajpai, then India's foreign minister, prepared for talks with China. At this time, China started military action against Vietnam, and Bajpai had to return to India in the middle of his visit to China.

India-China relations took a new turn in July 1981. Chinese Foreign Minister Huang Hua visited India. At this time, both countries agreed to start all over to investigate the border issue and to give up their earlier stands.

An Indian delegation went to China in December 1981 to discuss the border issue. In May 1982, a Chinese delegation came to India. During these discussions, Chinese officials suggested that both countries accept the present control line in the western and eastern regions, and that they try to find a solution to the border issue over it. The Indian Government rejected this proposal. The fourth phase of the talks began in October 1983, in which China was willing to accept India's proposal to discuss separately every aspect of the border issue. The seventh phase of the talks began in Beijing in July 1986. Detailed discussions were carried out about interference in the Samdorong Chu Valley in the Bagdang area of Arunachal Pradesh. China, however, was adamant that Bagdang was in the north of the real border line and that it was part of China. The eighth phase of the talks started in November 1987 and ended without any solid results.

Rajiv Gandhi, then India's prime minister, visited China in December 1988. During this visit, the stalemate in the border talks was broken, and talks were initiated again. Both countries decided to establish a joint working committee to resolve the border issue. The Indian secretary of foreign affairs and China's deputy minister of foreign affairs were included in this joint committee. This group was charged with two major issues: (1) keeping peace around the control line, and (2) the much-delayed border conflict resolution by talks.

The joint committee has met three times so far: in July 1989, August 1990, and May 1991. It was not possible for Indian Prime Minister Narsimha Rao and Chinese Prime Minister Li Peng to resolve the Indian-Chinese border issue in their first meeting; however, it is expected that both prime ministers will review the reports submitted by the joint committee and provide political direction to it.

PRC Offer on Chemical Cooperation Detailed

92AS0559A New Delhi *PATRIOT* in English
27 Dec 91 p 5

[Article: "Sino-Indian Tie-Up in Chemicals"]

[Text] In the first major spinoff of the visit of Chinese Premier Li Peng, China on Thursday offered to India the advanced Polytetra Fluoroe Thylene (PTFE) technology it had developed and also evinced keen interest in setting up joint ventures in the field of chemical fertilisers, reports PTI.

Both the countries agreed to have wide cooperation in the field of chemicals and petrochemicals and are identifying areas of cooperation in information of chemicals, technology transfer, training, research and development and trade of chemicals and fertilizers.

This was decided at a meeting of a visiting six-member Chinese Chemical delegation led by Mr. Cao Zheayuan director of the institute of scientific and technical information with the Minister of State for chemicals, Chinta Mohan and secretary chemicals, M.S. Gill.

According to official sources, the Chinese side evinced keen interest in cooperation with India in the chemicals and petrochemicals sectors in view of India's rich experience and expertise in these fields.

Dr. Gill explained in detail to the delegation about the follow-up action on the Memorandum Of Understanding (MOU) between the two countries in April 1990 which envisages cooperation between the two countries in the field of chemicals.

The secretary told the delegation that a meeting was being arranged for them with the Indian Chemical Manufacturing Association (ICMA) and Chemexil to discuss export-import matters and identify products for the purpose.

The Chinese delegation informed that China has developed its own technology for Polytetra Fluoroe Thylene (PTFE) and expressed its willingness to lend the new technology to India.

The team has visited the Institute of Pesticide Formulation technology and showed keen interest in pesticide formulation and its application. It also indicated its interest in trade of chemical fertilisers, the sources said.

New Treaty With Russia Under Preparation

92AS0554A Madras *INDIAN EXPRESS* in English
5 Jan 92 p 11

[Article by Arati R. Jerath: "India Forges New Ties With Russia"]

[Text] With the recognition of Russia and the other 11 republics of the Soviet Union as independent nations, India has officially set in motion the process of restructuring its relationship with its former ally.

While core issues like the repayment of the huge debt India owes the erstwhile Soviet Union and the realisation of crores of rupees worth of credit in power, steel and coal

projects are matters for hard negotiation over the next many months, the key to future ties with the splintered Union will be the political agreement India hopes to sign with Russia in the near future.

The draft is still under preparation but it is expected to set the tone for the new relationship the two countries expect to establish, a settlement of pending problems notwithstanding.

Whatever the wording of the agreement, obviously Indo-Russian relations cannot enjoy the same special status as the traditional Indo-Soviet friendship and South Block is acutely conscious that Moscow's perceptions are quite different today. The recent Soviet vote in favour of a Pakistani resolution at the United Nations for a nuclear-free zone in South Asia as well as moves by Pakistan and Russia to enter into a defence agreement for the first time have not gone unnoticed by the Indian Foreign Office.

Despite these rumblings, however, South Block expects to be able to build a "substantive" relationship with Russia in the future. The confidence is based on several factors.

One is the obvious economic compulsions on both sides. The Indian army is largely equipped with Soviet weaponry, most of which is manufactured in Russia while Russia will continue to need Indian consumer and other durables as it gets down to the awesome task of restructuring its economy. The fact that both sides have agreed in principle to continue trading in rupees for some more time is indicative of the commercial imperatives which bind the two countries even today.

Another is Mr. Boris Yeltsin's strong streak of Russian nationalism and his attempts to continue Russia's military domination in the region of the old Soviet empire. Significantly, the Russian Minister-Counsellor in India, Mr. Alexander Kadakin, asserted at a press conference in New Delhi last week that Russia is still a Super Power in a world which is multipolar, not unipolar as popularly held. When asked to identify the other "poles", Mr. Kadakin listed the United States, India, Japan, China and Germany.

Russia's view appears to coincide with South Block's new vision as it comes out of the fog which enveloped it after its traditional framework collapsed with the disintegration of the Socialist bloc. Today, South Block mandarins are also talking of the gradual emergence of a multipolar world in which Russia will continue to be a "pole" to contend with. With its formidable nuclear armoury, its geographic positioning virtually "facing" the United States, China, Japan and Germany, and its permanent seat in the UN Security Council, Russia is likely to still play a major role in world politics although it obviously cannot hope to dominate the international order as it used to.

Despite its false start with Mr. Yeltsin, India is now moving quickly to forge new ties with Russia, based on shared international perceptions and practical economic and political realities. So far, the signals received by New Delhi have been encouraging. Moscow is understood to have set up four working groups to draft out not only the crucial political agreement but also four protocols on

trade, defence, power projects and the rupee-rouble exchange rate for future trade, indicating its interest in getting Indo-Russian ties going as soon as possible.

Economic constraints have of course made India far more dependent on the United States and the inexorable logic of India's steady movement towards the U.S. axis has been deepened by Washington's ardent wooing through effusive statements by Congressmen and Senators on Indian democracy and open support on Kashmir.

South Block is, however, acutely aware of the pitfalls of overdependence on one power and as the pieces of the new international order fall into place, it is attempting to breathe new life into its age old policy of nonalignment by redefining and restructuring the Nehruvian concept to suit the multipolarity that it sees taking shape in the world.

The recent visit by the Chinese Premier, Mr. Li Peng, was one such beginning and although there are differing views on what India actually got out of the visit in specific terms, there is general agreement that the meeting between the two Asian giants cannot but be an important international event and has helped to reopen channels of communication between them.

India is also attempting to establish closer relations with the two new economic powers, Germany and Japan. It is perhaps significant that the Prime Minister's first foreign trip was to Germany. Again while it is debatable what Mr. Narasimha Rao concretely achieved in Bonn, his meetings with the leaders of Europe's most powerful nation have set the ball rolling for future contacts.

A trip to Tokyo is also on the anvil. Mutually convenient dates are still to be worked out but it is a priority of which South Block is acutely aware and the Foreign Office is hopeful that the visit will materialise soon.

In addition to this, India is attempting to build bridges with the European Community as a whole as well as areas it had traditionally ignored like the ASEAN countries. It has already formally requested to be accepted as a country with which the ASEAN holds an annual dialogue. It has also asked for observer status in the new Asia-Pacific grouping which is being formed.

The new shape India's foreign policy is taking will gradually emerge over the next few months. Its efficacy will be proved only over the next few years.

REGIONAL AFFAIRS

New Era of Regional Foreign Policy Seen
92AS0528A New Delhi JANSATTA in Hindi
7 Jan 92 p 4

[Article by Ray Singh: "Foreign Policy Remains Limited to Pronouncements"]

[Text] It is a fact that foreign policies for neighboring countries have always been a challenge for India. If we analyze India's foreign policy between 1947 and 1991, we will find that neither were any national problems solved

with this policy, nor was our national security strengthened. A few years ago, we were bragging about India's foreign policy because of the birth of Bangladesh in 1971; however, if we analyze this development objectively within the context of our national interests, we find that there have been only two major results. The first of these is that after Bangladesh was established in 1971, Pakistan established close relations with western Asian countries and began to depend on them. Because of Pakistan's dependence on these nations, Indo-Pakistan relations, which never were friendly, became a lot worse. As a result, Pakistan has provided training to separatists and terrorists and has created an atmosphere of insecurity and violence in our border states of Jammu-Kashmir and Punjab. Before 1971, India had pressured East Pakistan and succeeded in stopping Pakistan from helping the terrorists in Punjab and Kashmir. After Bangladesh was formed in 1971, however, Pakistani agents, with the support of an Islamic Bangladesh, were helping the ULFA [United Liberation Front of Assam] and Bodo movements. This caused insecurity in India's eastern border state, Assam. Bangladesh created a new problem for India by pushing its Chakma caste people, who follow the Buddhist religion, into India. Before this, the government of Bangladesh committed various atrocities on Hindus there and forced them to leave their homes and properties and move to India. Now the Muslim terrorists have forced the Hindus of Kashmir to move to India.

Before Bangladesh was established, the authors of India's foreign policy used to say that the reason for the terrorist and separatist activities in India's northeastern region was the help from East Pakistan and the camps established by Pakistan there to shelter the Indian rebels when they returned after an attack. The policymakers also claimed that Mizo and other separatist and terrorist elements used to go to China for training through East Pakistan and Burma (Myanmar). They obtained weapons and ammunition from Bangladesh [sic] for their activities. The authors of foreign policy assured then-prime minister Indira Gandhi that if East Pakistan was eliminated and replaced with a new friendly nation, then separatist and terrorist elements in India's northeastern region would not get support. Similarly, Burma and China would also be given a warning that they would not benefit by helping the terrorists in India's northeastern region. These narrow-minded policymakers never thought that India's long-term interests would be hurt if East Pakistan was separated from Pakistan.

The second major result of the 1971 development is that Bangladesh, created by India, is opposed to it now. India's policymakers thought that it would become India's partner nation; however, even Bangladesh's first leader, Sheikh Mujib-ur Rehman, pitted his claim on a very small piece of India's land "three acres" and proved that it did not matter that Bangladesh was born with India's help; it would never be India's supporter [sentence as published]. Now Bangladeshi Prime Minister Khaleda Zia is depending on China and other countries for military and other types of aid. It appears that in spite of some sweet talks, there will be no improvement in relations between

India and Bangladesh. It would be more appropriate to say that it would be a great thing if the present status quo is maintained.

As for Pakistan, India's foreign policy had mostly depended on the personal relationship between the leaders of both countries. Many statements, speeches, and declarations were made, but the results were always zero. Many minor and major agreements were signed between India and Pakistan, but they were quickly broken. During the 1960's, a new direction in Indo-Pakistani relations was seen after the Sindh River Waters agreement. The leaders at the time claimed that the two countries would work more closely in economic areas, in spite of the Kashmir problem. As the result of this agreement, India had ignored dry lands in Punjab, Rajasthan, and Haryana, and had decided to give Pakistan more water to aid the latter's various states. India thought that Pakistan's leaders would trust India's goodwill after this act. What happened, however, was the exact opposite. In 1965, Pakistan attacked India again. This war was stopped after the Tashkent agreement; however, no solid results were gained from this agreement. There was another India-Pakistan war in 1971.

Pakistan lost the 1971 war, but it is still angry about that defeat. To vindicate this defeat, even today military officers that leave the military academy after training take an oath to "vindicate Pakistan of its defeat to India in 1971." The foreign policymakers of India never thought that their steps would make an enemy nation hate India even more. In addition, the establishment of a new country would only increase defense needs in the northeastern region. When decisions on foreign policy are made, regions and issues are objectively analyzed in light of the situation in that region, or according to the international situation. It is India's misfortune that when the foreign policymakers made their decisions, they did not follow these basic principles of policymaking. The truth is that these decisions were made just to make certain people look good. They had nothing to do with the interests of our nation.

We had problems with Sri Lanka over Indian people living there even before 1947. Therefore, the problems between India and Sri Lanka are nothing new. The fact is that such problems are always prevalent between neighboring countries. They can be resolved by taking the appropriate steps within the framework of well-established foreign policy. In 1964, Indian Prime Minister Lal Bahadur Shastri and Sri Lankan Prime Minister Srimavo Bhandarnaike had agreed to resolve the problem of Indian people living in Sri Lanka through the Srimavo-Shastri agreement. For some reason, however, this agreement was not implemented. Because of the failure of the agreement, the problem of Indians living in Sri Lanka evolved into Tamil Ilam ("Free Tamil") in the 1980's. The extremely serious results of these mistakes had to be faced by the IPKF [Indian Peacekeeping Force] units of the Indian army in 1986 and 1987. Then-prime minister Rajiv Gandhi committed a huge blunder by sending the IPKF to Sri Lanka. The IPKF returned from Sri Lanka as a defeated army after losing more than 1,300 officers and soldiers. This not only hurt the Indian army's prestige, but also made India suspect in the eyes of other neighboring

nations. The failure of Indian foreign policy in Sri Lanka hurt Indian interests more than it helped them. This shows the narrow vision of the policymakers of that time.

As for the question of sending the Indian army to the Maldives to check the conspiracy there, this could had been done by sending 50 to 60 soldiers, without making any noise. Exaggerating this minor incident just to glorify Indian army forces is, of course, something else. This Maldives operation demonstrates how Indian foreign policymakers use a hammer to kill a mosquito.

India's relations with Nepal and Bhutan in the north are dependent on the treaty signed in 1950. We have problems with these two countries, too; however, they are not very serious. Such problems are common among nations with common borders. Mr. Koirala, Nepal's prime minister, visited India in November and resolved several India-Nepalese issues; however, there are several issues that need mutual agreement. The major one among these is the problem of the indigenous populations of these two countries and the plans through which the three countries—India, Nepal, and Bhutan—can make economic progress. India needs the friendship of these two countries, not only for economic needs, but also for its national security. It is especially important because of the freedom movement in Tibet. China is trying to increase its influence in these two neighboring countries in order to protect its interests in Tibet.

All in all, we can say that no one can criticize the language and documentation of India's foreign policy; however, appropriate language is not enough to protect a nation's interests. A foreign policy should have the means to protect the long-range interests of a country, even if these policies are not described in detail. The most important thing is that foreign policy is not designed to improve the image of a specific person. It is designed to protect a nation and increase friendship and goodwill with neighbors and other countries. This friendship should be of a kind that allows all to help each other in difficult times. If they cannot help each other, then they should at least not be able to hurt each other. This is especially important in this definition of foreign policy, when we discuss better relations with neighboring countries.

INTERNAL AFFAIRS

Rao Announces Reduction in Government Posts

92AS05624 *Calcutta THE STATESMAN* in English
25 Dec 91 p 1

[Article: "1,000 Posts in Three Departments Abolished"]

[Text] New Delhi, Dec 24—Mr. P.V. Narasimha Rao today announced the abolition of 1,000 posts in three departments of the Commerce and Industry Ministries in view of deregulation and economic liberalization and reduced official work. He also promised "significant reduction" in nearly 600 senior posts—above the Joint Secretary level—as a concrete measure of austerity.

Welcoming Mr. Biju Patnaik's suggestion for "severe austerity", Mr. Rao said, in his concluding remarks to the

National Development Council, that a committee headed by the Cabinet Secretary was examining the modalities of "pruning" posts in all Ministries and departments of the Central Government. The exercise will be completed by February.

He appealed to the Chief Ministers to take similar steps.

The Prime Minister asked Central Ministries and departments to surrender 10 percent of telephone lines, by January 31, 1992. The telephone lines allotted to the Central Government departments and officials are likely to be about a million, according to one rough estimate.

The 1,000 posts have been abolished in the offices of Chief Controller of Imports and Exports, Cement Controller and Director-General of Technical Development.

The Prime Minister added: "The allocation for travel is proposed to be cut by 20 percent next year—domestic and foreign—compared to the current year's budget. Travel by first class by air during foreign tours for all Central officials is banned.

"This ban should now extend to all Ministers. The Chairman of the Rajya Sabha and the Speaker of Lok Sabha will be moved to extend this ban to cover all Members of Parliament.

"Similarly the Government will approach the Chief Justice to ban judges' travel by first class.

"This exercise will continue, these economy measures should be done at the State level also."

The Prime Minister said: "Mr. Biju Patnaik had made a fervent plea for austerity. I agree with him. I am pursuing austerity at the Central level.

"The rationale of economy is that there has been deregulation and liberalization. Logically there is less Government work and less senior staff is needed. The economy drive also affects other offices".

Venkataraman Addresses Governors' Conference

92AS0558A Calcutta *THE STATESMAN* in English
28 Dec 91 pp 1, 7

[Article: "President for Smaller Ministries in States"]

[Text] New Delhi, Dec 27—The President today favoured smaller Councils of Ministers in the States. He suggested that the size of a Ministry be limited to one-tenth of the strength of the popularly-elected legislature. The absence of this "encourages hopes of office in a defector," who, he felt, should be debarred from public office.

Opening the conference of Governors here, which is being attended by the Vice-president, Prime Minister, other Ministers, 24 Governors and three Lieutenant Governors, Mr. R. Venkataraman said: "We have not failed to notice that in certain States, Ministries have come to acquire enormous size. There are instances where almost every legislator of the ruling party has had to be placated by a ministership or a ministerial type of sinecure.

"Our body politic cannot carry so much adipose without detriment to the heart of democratic functioning."

Apart from discouraging defections, this "will lead to an enormous saving in public expenditure and help channel resources to the welfare of the people.

(According to PTI, Governors today decided to forego 10 percent of their salary from January next. The decision comes in the wake of the gesture by the President for a 10 percent cut in his salary.)

Anti-Defection

About the anti-defection law, the President said it was "unfortunate" that "avoidable instances of discord have arisen between the legislature and the judiciary over this matter." In such matters judicial directives are sometimes issued to the Governor, placing that office in a delicate situation. "I would like to suggest that the Prime Minister and the Government give thought to insulating the office of the Governor from such piquant situations."

The new Government "holds out promise of a healing touch to our nation's deep pains," Mr. Venkataraman said, referring to the assassination of Rajiv Gandhi.

The President praised the package of economy and austerity measures announced by the Prime Minister at the conclusion of the National Development Council earlier this week. "I am happy to note that many Governors have undertaken an exercise to effect economies in their Raj Bhavan establishments. The drive for economy is not a one-time measure but a constant and continuous one.

"It is widely and erroneously believed that the office of a Governor is but an ornamental institution distanced from the hopes, trials and tribulations of the people of the State. Governors, in my view, are not the decorative roofing on a State's body politic. They are, rather, like the roots—running deep, providing stability and strength but doing so invisibly.

Flexible Economy

"We have started a process of moving away from a regime of controls towards a more flexible market-based economy. It is a matter of gratification that the adverse balance of payments position has somewhat eased following the recent measures taken in that area.

"The price situation, especially in respect of essential commodities, continues to demand attention. The level of foodgrain stocks in the central pool is comfortably but I would like to urge Governors to advise State Governments to remain vigilant and administer the Essential Commodities Act firmly."

The President asked Governors to take a "special interest in the exclusive schemes for our Scheduled Castes and Scheduled Tribes. Our Constitution envisages a special role for Governors with regard to the administration of scheduled areas and tribal areas. Governors must ensure that meetings of the advisory councils take place regularly and that the annual reports of the concerned Governors are submitted in time."

Expressing concern over the victims of the Uttarkashi earthquake against the rigours of a Himalayan winter, he urged that effective steps be taken immediately.

Terrorism

All of us have for quite some time now, been agonized by the unabated fury of terrorism. The bullet flies across several parts of our country, bombs explode amongst unsuspecting innocents, traumatizing our peaceable society. To the despicable vocabulary of terrorism has been added the cult of taking hostages, most of them public servants on duty.

"This represents a barbaric as well as cowardly mentality, since it plays havoc with the lives and psychology of the defenceless. Punjab, the Valley of Kashmir, Assam, several parts of the north-east and pockets of south and central India have witnessed cold, calculated and dastardly attacks by terrorists."

On the proposed Punjab elections before February 15, the President hoped free and fair polling would be held there. The pressure on terrorists in Punjab has been followed up by terrorist violence spilling over to the neighbouring States of Uttar Pradesh and Haryana, and the situation should be closely watched, he felt.

The President referred to the Left-wing extremists who had been causing anxiety in parts of Andhra Pradesh, Madhya Pradesh, Maharashtra, Bihar and Orissa and said it had become necessary to adopt an integrated regional strategy to combat them.

Sikh Extremists Declare Truce With Police

92AS0560A Calcutta THE TELEGRAPH in English
27 Dec 91 p 5

[Article by Monimoy Dasgupta: "Babbar Khalsa Declares Truce With Police"]

[Text] Chandigarh, Dec 26: In a significant development, the extremist group, Babbar Khalsa International has declared a "unilateral ceasefire with the lower-level Punjab police functionaries and their kith and kin" for the next six months.

During the second half of this year, as many as 500 policemen and 200 of their relatives were killed by terrorists fighting for the creation of a separate Sikh state, "Khalistan".

The Babbars have also appealed to other extremist groups in Punjab to announce a similar ceasefire and appealed to the personnel serving in the state police to "reciprocate" by refraining from excesses against Sikh youths.

The extremist outfit has, however, warned the policemen against indulging in "fake encounters to kill Sikh youths and carrying out illegal orders of the Delhi durbar."

In a statement sent to some selected newsmen here, the Babbar Khalsa International said: "We firmly direct our

cadres to refrain from any action against police functionaries and their relatives during the next six months and urge our other sister groups to announce a similar ceasefire."

The statement was signed by five members of the Babbar Khalsa high command—Amrik Singh Kauli, Mahil Singh, Talwinder Singh, Sukhdev Singh and Wadhwani Singh. The signatories apologised on behalf of the Babbars for having indulged in unprecedented killing of policemen and their family members. "We were forced to do so to avenge torture and killings of relatives of underground extremist leaders by the state machinery," the statement said.

The extremist organisations generated widespread condemnation among the common people, including the Sikhs, for indulging in coldblooded killing of innocent family members of policemen.

The statement added: "The policemen too should desist from committing atrocities on Sikh youths and should stop obeying illegal orders of dishonouring Sikh women."

The Babbars asked the police officers to "shun their greed of seeking promotions by carrying out orders of the Indian government to kill the Sikhs" and enter into this "peace agreement." The statement added: "The policemen who stop taking recourse to methods like fake encounters meant for genocide of the Sikhs, will be considered to have entered into this agreement of ceasefire."

Referring to the deployment of the Army, the CRPF [Central Reserve Police Force] and the BSF [Border Security Force] in the state, the Babbar Khalsa alleged that "before sending these forces to Punjab, their men are indoctrinated to hate the Sikhs with the purpose of finishing the Sikh youths. The real purpose of this is to kill the real brothers and sisters of police officials, mainly the Sikhs, as the brahmanic Indian government is not favourably inclined towards anybody in the state."

The Babbars felt the government treated the police "as nothing more than puppets" in its hands.

This is evident from the treatment meted out to the previous director-general of Punjab police, Mr. D.S. Mangat, who has now been made incharge of bus drivers and bus conductors. Mr. Mangat was posted as the chairman of the Punjab Road Transport Corporation after he was replaced by Mr. K.P.S. Gill last month.

The militant outfit, on the other hand, has appealed to serving Sikh policemen to "contribute to the cause of Khalistan, while in police service, in the same manner in which the Muslim policemen are doing in Kashmir."

Uttar Pradesh Claimed Key to Congress(I) Party Elections

92AS0528C New Delhi JANSATTA in Hindi 4 Jan 92
pp 1,10

[Article by Pradip Singh: "Uttar Pradesh Has the Most Commotion in Regard to Congress(I) Internal Elections"]

[Text] New Delhi, 3 January—There is a lot of talk in Uttar Pradesh about the Congress party election. Only the

first unit election has been held in this state; however, efforts for the Congress (I) presidency are already in full swing. About half a dozen candidates have entered the arena for this position. The thread of this tussle is tied to national politics.

The Congress (I) members in Uttar Pradesh do not have the misunderstanding that there will be an election of the state Congress (I) president. Everybody has accepted the fact that this position will be decided by the leaders who are involved in moving things around. The frontrunner among the major candidates for this position is Prime Minister Narsimha Rao's political advisor, Jitendra Prasad. The other two names are: the present state president, Mahavir Prasad, and former secretary general Kedar Nath Singh. The other three candidates are Ram Naresh Yadav, Rajendra Kumari Vajpai, and Pramod Tiwari. There are several conditions tied to these three.

Jitendra Prasad is a confidant of almost all major state leaders. He has access to the chief minister and has become very important because of this. He is the only leader who had publicized Sonia Gandhi's appeal more than anyone to his election constituency of Shahjehanpur. His opponents say that he had also made an "arrangement" to make sure that Sawami Chinmyanand would not run against him on the VHP [Vishwa Hindu Parishad] ticket.

Mr. Jitendra Prasad, Mahavir Prasad, and Pramod Tiwari are together in state politics. Mr. Jitendra Prasad also has the trust of Kedar Nath Singh. There is a story behind this. The Congress (I) came to power at the Center after the election. Mr. Narsimha Rao appointed Mr. Prasad his political adviser after he was elected prime minister. Mr. Prasad assured Mr. Rao that there would be some changes before the party election, and that he would help him to become the state Congress (I) president. Mr. Prasad remained with this misunderstanding for a long time. During that time, he continued his efforts to become state president of the party. When he realized that he could not succeed on his own, he tried to join the people who supported Mahavir Prasad. He stayed with Mahavir Prasad on all of his projects. The truth is that at one time, he played the major role in making sure that a campaign against Mahavir Prasad failed.

Mr. Prasad is the major challenger for the president's position. This choice was part of his plan. Uttar Pradesh is the largest state for the Congress (I), and they are worried that Narain Dutt Tiwari might go to the Rajya Sabha. In the two-year election to be held in April, the Congress (I) has only one seat in its quota. On reaching the Rajya Sabha, his becoming a minister is a definite possibility. This idea is disturbing several leaders and ministers in Uttar Pradesh. They believe that their positions would be adversely affected upon Mr. Tiwari's arrival. This way, everybody will join Jitendra Prasad's camp, willingly or unwillingly. This will make his camp strongly. His supporters believe that if Mr. Prasad does not win the state presidency for the party, then the anti-Tiwari lobby will give its full support to send him to the Rajya Sabha. This way, Mr. Prasad will benefit in either situation.

The second challenger is Mr. Mahavir Prasad. He has the position now and is using it fully to ensure that he does not lose it. He has two other things working in his favor. One is the Harijans. The Congress (I) has to win back the Harijan vote bank; therefore, they can send this message by electing him president. The second aspect has much more weight. He is neutral, and will not have any objection to following the directions of various leaders in the state and at the Center. The future of the party is another story. He could not unite the state committee since he became president. The first election was held under his presidency. He remained clean during those elections. He could not even get Harijan votes in his own constituency. More Harijan votes were obtained by the Bahujan Samaj Party. Mahavir Prasad had the responsibility of getting Harijan votes in the whole state.

The third challenger for the presidency is Kedar Nath Singh. He is a member of the Rajya Sabha now. In 1989, the All India Congress (I) committee members had convinced Rajiv Gandhi that the secretary general should be responsible for the elections and be sent to the Rajya Sabha. Mr. Singh arrived in the Rajya Sabha according to this formula. After losing his hope of being a cabinet member, he is running for the state party presidency. It is difficult to say how much support he will get; however, it is a known fact that he almost lost the election, in spite of being a party whip in the Rajya Sabha. He was elected to the Lok Sabha from Hapur during the 1984 wave of sympathy.

One faction of the state Congress (I) wants to elect Narain Dutt Tiwari party president. He is the oldest leader of the party and is spending his time in Uttar Kashi in political exile. He is aiding in the rehabilitation of the earthquake victims to keep himself busy and is waiting for his own political rehabilitation. If we believe the people around him, he wants to leave state politics. In such a situation, his candidate for the presidency is Rama Naresh Yadav.

The only common thread between these two is that both have socialist backgrounds. Mr. Yadav has been state chief minister; however, at this time, he is looking for a district to call his own. He had left Ajam Garh (northern Uttar Pradesh) for Main Puri (central Uttar Pradesh). After losing elections for the Lok Sabha and the Vidhan Sabha from this district, he is planning to return to Ajam Garh. Mr. Yadav says that "election" now means "selection" and factionalism. The social equation must be kept in mind in the party's election; otherwise, it just will not work. People in every group have become aware of the situation.

Rajendra Kumari Vajpai, secretary general of the All India Congress (I) committee, is also in the race for the presidency; however, she is ambiguous about it. Her claim is just to check things out. In exchange for giving up the BJP presidency, she wants her son, Ashok Vajpai, to become secretary general of the state Congress (I) committee. She has made all the arrangements for these dealings. She had appointed Raghu Nandan Lal Bhatia to the post of state PRO [Public Relations Officer] for this purpose. In addition, in state politics, her family comes in third after

Kamlapati Taripathi and Uma Shanker Dixit. At present, her son is the president of the Allahabad district Congress (I). Her daughter-in-law is the secretary general of state's Women Congress Party and her maternal uncle Vidyacharan Shukla is a minister at the Center.

Pramod Tiwari is the legislative leader of the state's Congress (I) party. He is the younger leader in the state and is happy in his present position. He is always short of time and, as a principle, does not practice politics in the evening. He does not mind if one of the elders gets the presidency of the party in their efforts. In addition, he does not believe in straining himself too much.

There are many other challengers for the position of party president. One of them is Mr. Lokpati Taripathi, elder son of the late Mr. Kamlapati Taripathi. He wanted to become the chief minister for a long time but did not succeed. His claim for the position of party president is totally personal. He is having problems even in controlling his own election district (Varanasi).

Two other leaders can join this race. One is Kalpanath Rai and the other is Balram Singh Yadav. Both of them are ministers at the Center. They are sure of the government's stability and do not want to buy trouble without any reason.

Uttar Pradesh Government Said Lacking Clear Direction

92AS0529C Varnasi AJ in Hindi 9 Jan 92 p 6

[Article by Fauzdar Singh: "Will the BJP Administration Keep Moving on an Ad Hoc Basis?"]

[Text] The people in Uttar Pradesh had new hopes, trust, and beliefs in clean government and social welfare when the BJP [Bharatiya Janata Party] government was established there. Some steps taken by the government during this brief period made the people even more optimistic about it; however, the necessary follow-up work to make the government strong and stable, in addition to the introduction of new ideas, was not implemented. Keeping in view the success in the recent elections and strong defiance by the opposition party, the government has become suspicious. They are working hard in order to make their party strong and trustworthy. They are also emphasizing the need to take the necessary steps to make the people believe that the BJP government is different than the previous governments.

As soon as it took power, the state government started to transfer all the high officials appointed by the previous government and began to reorganize various departments in order to improve its political image. This step was taken to make the government stable and improve its image among the people.

Mr. Murli Manohar Joshi, the BJP president, has announced the establishment of various committees to improve communication between the government and the party. Even though the basic outline of this plan has not been made public, he hinted that this responsibility would be given to one minister in BJP-controlled states. This

minister would be responsible for establishing communication between the government and the people, and also for coordinating various plans among the BJP-controlled states. He has also mentioned the Center's biased attitude toward BJP states. He repeated the fact that not enough money was given to the state government to help the people affected by the Uttar Kashi earthquake in Uttar Pradesh. He also talked about not providing money for various development projects in the state.

It is important for the central government to help in development projects in various states, according to their population. These states should also emphasize starting new development projects according to their resources. This includes the Anpara Thermal project, to which insufficient funds were provided. A request has also been submitted for a 50-percent contribution by the Center to control terrorism. Problems like political protectionism and crime can be solved only by holding multi-party meetings.

The performance of the BJP government has proved that its rulers are no different than those of previous governments. An example of this is the fact that ministers, deputy ministers, and legislators are practicing double economic standards, just as their counterparts in former governments did. Without changing these standards, the welfare programs become suspect. The one person-one position system is being ignored openly. A person, when elected as a representative of the people, should establish a standard of self-discipline and sacrifice, and should use his position to help the state, the nation, and the people. This will help improve the images of the party, the government, and himself. The people will automatically be attracted to the party and the government. The other officials in the government also have to demonstrate the ideal of renouncing luxuries. They should only request an allowance for simple living expenses, and use the remaining money for welfare programs, such as those to fight famine, floods, and earthquakes. Now, the people of this and other states are suffering from poverty, unemployment, and famine. Our nation is fighting the ULFA [United Liberation Front of Assam] and its terrorist activities. In such a situation, Mr. Lalkarishna Advani's "chariot ride" and Mr. Joshi's "unity ride," as well as the emphasis on the Rama's temple, all become very suspect. If the people of the BJP do not prove to be effective in resolving various issues within the given time frame, then it would be appropriate to say that their government is also racing toward ad hocism.

The religious Hindus of our nation are supporting the BJP just because of its allegiance to various religious groups. They hope that their dream of building a Rama's temple in Ayodhya will be realized. Groups like the Vishwa Hindu Parishad, Bajrang Dal, Shiv Sena, and other parties are supporting the BJP while waiting for the temple. Therefore, it is important that the present government give up ad hocism, which is very important to the welfare of the state and the nation.

Priyanka Gandhi Refuses Uttar Pradesh Post
92AS0610A *Calcutta THE STATESMAN in English*
15 Jan 92 p 1

[Text] New Delhi, Jan 14—Miss Priyanka Gandhi today refused to accept her "election" to the Uttar Pradesh Congress(I) committee [UPCC(I)], once again leaving the party open to ridicule.

Priyanka, who was suddenly declared elected as PCC(I) member yesterday, is not even a primary member of the party. Her "election" as a PCC(I) member has thus revealed how hollow the claims of fair elections are.

Mr. V. George, the spokesman for the Gandhi family, expressed surprise and said today that the family had read about Priyanka's election to the UPCC(I) in the morning papers.

"While it may have been intended as an expression of affection and regard by the Congress(I) workers for her late father, Miss Priyanka Gandhi is a student whose first priority is to complete her education. She has, therefore, expressed her inability to accept any such elective position," Mr. George said.

Miss Priyanka Gandhi's election to the PCC(I) was announced yesterday in Lucknow by the PCC(I) chief, Mr. Mahabir Prasad. It immediately stirred up speculation in the party circles over the "come-back" of the family.

Her election to the committee comes at a time when fresh attempts are being made by a section of the Congress(I) to involve Mrs. Sonia Gandhi in the party elections. With the "one-man, one-post" principle in force, a section of the party has suggested her name for the post of the party chief.

Senior party leaders who were contacted late tonight feel that the efforts to throw the party into chaos are on once again as the party chief's election approaches. However, most of the leaders are unable to specify what exactly is going on within the party.

The election of Priyanka and her subsequent rejection of the office has exposed the false claims of the party to fair elections. She is not even a primary member of the party while to stand for an election one needs to be an active member.

It is also considered highly unlikely that those who proposed Priyanka's candidacy sought prior consent from her. There is virtually no possibility of her signature being anywhere on the election papers. Her election is thus being highlighted to expose how farcical the whole process has become.

The Congress(I) officially maintained a grim silence, refusing to entertain any questions on the issue. Both Mr. C.P. Thakur and Mr. Chandulal Chandrakar maintained that they had "no information on whether a particular person had become a member or not."

Assam Party Demands Constitutional Changes
92AS0607A *Madras INDIAN EXPRESS in English*
11 Jan 92 p 15

[Text] Guwahati—The Assam Gana Parishad (AGP) on Thursday demanded formation of a constituent assembly to bring about drastic changes in the country's political and economic front and said the country should be reorganised as a federal structure.

A resolution adopted at the second general conference of the AGP, which concluded here on Thursday, said it was high time the constitution of India was rewritten to fulfil the aspirations and needs of the citizens in the changing situation.

By another resolution, the AGP expressed grave concern at the growth of separatist forces in various parts of the country, and accused the Centre of usurping the powers of the states. The party criticised the union government's "wrong" decision to use the army to control secessionists.

The AGP reiterated its controversial resolution taken at the Mangaldai conference of 1988 and demanded total autonomy for the states. Only foreign affairs, currency, defence and communication should remain with the Union Government, the resolution said.

The party lashed out at the Centre for using the army to solve domestic problems, and said it not only increased discontentment and alienation among the masses, but also demoralised the forces trained to fight foreign troops and aggressors.

The AGP conference said the Centre was treating the ULFA [United Liberation Front of Assam] issue as an ordinary law and order problem. It said the state and the Centre contradicted each other over the issue of holding talks with the ULFA militants.

The AGP blamed the Centre for not scrapping the controversial Illegal Migrants (determination by tribunal) Act, 1983 which stood at a hindrance to the process of throwing out illegal migrants from Assam.

The conference, which was attended by more than 400 delegates from the districts, also expressed unanimity over the issue of merger of the AGP, the Natun Asom Gana Parishad (NAGP) and other regional parties, and appealed to all non-Congress parties to come together and remove the Congress-I.

The AGP also reiterated its earlier stand rejecting all demands for further division of Assam.

Janata's Ajit Singh Expelled, Meets Press
92AS0557A *Calcutta THE STATESMAN in English*
27 Dec 91 p 1

[Article: "Ajit Singh Expelled From Dal"]

[Text] New Delhi, Dec 26—Mr. Ajit Singh was expelled today from the primary membership of the Janata Dal for six years, ending the long drawn-out speculation over his

future in the party. A show-cause notice is being served on Mr. Rasheed Masood, member of Parliament, who is close to the expelled leader.

The decision to expel Mr. Ajit Singh was taken by the Janata Dal president, Mr. S.R. Bommai, after consulting several senior leaders, the party spokesman, Mr. Hari Kishore Singh, said. He met the Press soon after a meeting of the Political Affairs Committee [PAC] where leaders like Mr. Biju Patnaik apparently decided to abandon their role of mediator and see Mr. Ajit Singh out of the party.

With his expulsion, Mr. Ajit Singh will have the freedom to align with any party in Parliament, though the fact that similar action was not taken against his other supporters might dampen his enthusiasm.

The expelled leader was invited to the PAC meeting, but decided to stay away. Mr. Masood was also not present, though he claimed he was told that the PAC was not meeting today.

While Mr. Ajit Singh refused to meet the battery of journalists who had rushed to his house after the announcement of his expulsion, Mr. Rasheed Masood, returning from a day-long medical check-up, saw the seeds of a "split" in the party being sown with today's "dictatorial" action against Mr. Singh.

To a volley of questions on the strength of Mr. Ajit Singh's supporters in Parliament and outside, Mr. Masood said repeatedly: "Number is not a problem". While he was talking to the Press, a member of the Lok Sabha, Mr. S.N. Yadav (Bihar), telephoned and announced that "no one can stop the break-up of the Janata Dal after this dictatorial step by the party leadership".

Mr. Masood said three or four members of Parliament had telephoned him to protest against the expulsion of Mr. Singh. Among them were Mr. Rajnath Sonkar Shastri, Mr. S.P. Yadav and Mr. Hari Pal Yadav. "Wait, we will give the names of 30 Lok Sabha members," he added.

He recalled that the Janata Dal had already split in the Uttar Pradesh Assembly and in Rajasthan the majority of the Dal MLAs [members of Legislative Assembly] were with Mr. Ajit Singh. In Bihar there would be some "uncertainty", though he could not say if there would be a breakup of the party as the legislators would not want to force an election at this time.

Reacting to the news that a show-cause notice was going to be served on him, Mr. Masood said: "I will throw it into the dustbin as it is already known that I will be expelled." He described the Janata Dal now as a "four-part serial", the last act of which he expected to be enacted in March with Mr. V.P. Singh and Mr. Sharad Yadav "coming to blows" to finish the "silly experiment".

The first act of the serial began today with the expulsion of Mr. Ajit Singh. The next step will be a fight between Mr. V.P. Singh and Mr. Sharad Yadav on the one hand and Mr. Ram Vilas Paswan and Mr. Laloo Prasad Yadav on the other. The third part will see the ex-Socialists in the Janata Dal fighting with Mr. V.P. Singh.

Mr. Masood saw the hand of Mr. V.P. Singh behind the expulsion of Mr. Ajit Singh, with Mr. Bommai only acting as his "rubber stamp".

Asked about his joining the Congress(I), Mr. Masood said he had always been advocating support to the minority Congress(I) Government to make it last for at least another three years or so. He hastened to add that he had not yet been expelled from the Janata Dal.

Mr. Masood reacted sharply to a statement by the Janata Dal spokesman that the Congress(I) was making lucrative offers to the Ajit Singh faction for leaving the Dal; it was a "shameful" statement, he felt. He then added that he had instead "heard" that an Ajit Singh supporter, Mr. Shiv Sharan Verma, member of the Lok Sabha, was being offered Rs 10 lakhs by the V.P. Singh camp to stay on in the Janata Dal.

While releasing Mr. Bommai's two-page letter to Mr. Ajit Singh, Mr. Hari Kishore Singh said the Janata Dal was "very sad" at the turn of events. The party president was authorized to take action against any member and it was not for the PAC to do so, he informed.

Today's meeting of the PAC was not attended by Mr. George Fernandes either. Though he was among those who had tried to hold the leadership from taking the extreme step, he had, in fact, tendered his resignation from all party bodies, including the PAC, after the secretary-general, Mr. Sharad Yadav, had accused him of being a Congress(I) agent.

27 Dec Press Conference

92AS0557B Calcutta THE TELEGRAPH in English
28 Dec 91 p 4

[Article: "Ajit Claims Parliamentary Majority"; boldface words as published]

[Text] New Delhi, Dec 27: The expelled Janata Dal leader, Mr. Ajit Singh, has claimed majority support in the parliamentary party and said that he represents the real Janata Dal.

Addressing a press conference at his residence this afternoon, Mr. Ajit Singh squarely blamed Mr. V.P. Singh for splitting the party and said, "My expulsion is illegal, we constitute the real Janata Dal."

Asked about the Orissa chief minister, Mr. Biju Patnaik, siding with the leadership in expelling him, Mr. Ajit Singh said, "Mr. Patnaik is among the tallest leaders in the country and I know what his attitude was on this issue. I am sure when the time comes he will take the right decision because we are the real Janata Dal."

Shorn of rhetoric, Mr. Ajit Singh's position is that he now has to build a new party from scratch, majority or no majority, and assume a shrill pro-farmer, anti-BJP [Bharatiya Janata Party] platform in a bid to consolidate his father's West UP [Uttar Pradesh] base.

Asked whether he would name it Lok Dal, he said, "I haven't thought about that but this suggestion will be considered." He would not reveal his strength in the

parliamentary party and only said, "We shall look after that when the time comes, let my supporters come to town."

As for now, Mr. V.P. Singh should worry about keeping the majority of the party with him. Three Janata Dal MPs—[members of Parliament]—Mr. Satyapal Singh Yadav, Mr. Harpal Panwar and Mr. Arjun Yadav—were present at the press conference with the expelled leader.

Praise for Cong: Responding to a spate of questions on the subject, Mr. Ajit Singh ruled out merger with the Congress(I) but said it was important to support the Narasimha Rao government for some time because "the people are not ready for elections." Mr. Ajit Singh was even otherwise generous in his praise for the Congress(I) and said its style of functioning and policies had improved after the change in leadership.

Asked whether he had met any Congress(I) leader in recent days, Mr. Ajit Singh said, "I have met Congressmen, Communist party leaders and Samajwadi Janata Party leaders." In response to a related question, he said, "There is need for realignment of centrist forces in order to meet the threat of anti-secular communal parties. If we can join hands with the BJP to defeat the Congress(I), I see nothing wrong in joining hands with the Congress(I) to check the BJP."

Attack on VP: Mr. Ajit Singh lashed out at Mr. V.P. Singh and blamed him for giving respectability to the BJP and bringing it to power in Uttar Pradesh. "Even his concentration in Amethi in the recent byelections and the way he behaved in Balandshahr and other West UP constituencies only helped the BJP."

The press conference, in fact, was a long diatribe against the former prime minister with Mr. Ajit Singh blaming him for "stifling inner-party democracy and discussion" and for "sabotaging the organisation."

Maintaining that Mr. V.P. Singh had taken fraudulent positions on secularism, social justice and collective leadership, the expelled leader said, "Mr. V.P. Singh does not believe in building an organisation. He believes in leading a revolution of which he is the sole and unchallenged leader. My differences began when I wanted the party to have a strong organisation."

Mr. Ajit Singh chided Mr. V.P. Singh's secular credentials and said, "Who got himself the title of Rajarshi? Whose first meeting in Delhi after quitting the Congress(I) was organised by the student wing of the BJP? Who sent Jagmohan as Governor to Jammu and Kashmir and who later nominated him to the Rajya Sabha?"

He also recounted Mr. V.P. Singh's role in the emergency and his record as UP chief minister when, he alleged, more than 8,000 backwards were killed in fake police encounters. "Still we took V.P. Singh in the Opposition fold, hoping he will be a rallying force. But instead of uniting, he has broken the Opposition, he has acted as a destructive force. He can, in fact, write a bestseller on how to break your own party."

Split in states: Mr. Ajit Singh appeared confident of retaining the bulk of the Rajasthan and Haryana Janata Dal units and said there would be a split in Bihar. Asked whether he would try and pull down Mr. Laloo Yadav's government, Mr. Singh replied, "That is for the MLAs in Bihar to decide." The Uttar Pradesh unit of the party has already split with the majority siding with Mr. V.P. Singh.

Cong reaction: The Congress(I) spokesman said whatever Mr. Ajit Singh does in his political life is "his own business."

Talking to newsmen here today, Mr. Thakur said Mr. Singh was an able administrator and his joining the Congress(I) was still a hypothetical question.

Further Details on CPI-M 14th Congress

Report on Opening Speeches

92AS0536A New Delhi PATRIOT in English
4 Jan 92 p 1

[Quotation marks as published]

[Text] Madras, 3 January (PTI, UNI)—The 14th congress of the CPI-M [Communist Party of India-Marxist] today began here with a fervent appeal by party general secretary E.M.S. Namboodiripad to adhere to Marxist-Leninist principles and to lead a battle against the Centre's "anti-people policies and communal danger emanating from the BJP [Bharatiya Janata Party]."

Delivering the inaugural address at the seven-day congress, Mr. Namboodiripad said the Centre had launched a whole gamut of economic policies which were a "surrender to the IMF and the World Bank." These policies were dangerous from the country's economic and political sovereignty. "They are a vicious attack on the living and working conditions of the toiling people. Our party has taken a firm stand of opposition to these pro-imperialist policies," he added.

He called for a powerful mass movement against these "Harmful measures" and inflict a crushing defeat on those who wished to mortgage the country's future to imperialism.

He alleged that the BJP with its aggressive 'Hindutva' ideology was launching inflammatory campaigns and had emerged as the major organiser of the attack on anti-minorities by organising 'Ekta Yatra' and demanding the revocation of Article 370, he alleged.

Mr. Namboodiripad said the CPI(M) had come to the conclusion that the basic concepts of Marxism-Leninism, viz, class struggle, dictatorship of the proletariat, proletarian internationalism and the leading role of the Communist Party were 'as valid today as they have ever been.'

But the experience of the application of these concepts necessitated a 'frank appraisal of the distortions in their practice and restore them to their original purity and in line with the present day conditions,' he said.

"Based on our own experience, our party will never give up adherence to Marxism-Leninism and the cause of Socialism and Communism," he asserted.

He said the CPI(M) congress should make a thorough review of its shortcomings so as to expand the party's base to enable it to become an all India mass revolutionary party, he added.

Referring to the collapse of the Soviet Union, Mr. Namboodiripad said the 'serious reverses' suffered by socialism radically altered the balance of world forces. "This is a serious setback, temporarily to the proletarian and progressive forces on a world scale," he said. The seven-day congress held at the venue, named after B.T. Ranadive, is being attended by over 700 delegates, including leaders such as West Bengal Chief Minister Jyoti Basu. Fraternal delegates from China, North Korea, Cuba, Vietnam and Nepal were also participating in the congress.

Significantly, China, Korea, Cuba, and Vietnam have declared their resolve to uphold the socialist path, he said.

Turning to the Indian conditions, the octogenarian Marxist leader said the basic concepts of Marxism-Leninism as a class struggle were as valid as they ever have been. The experience of their application, however, made it necessary to make a frank appraisal of the distortions in practice and restore the basic Marxist concepts to their original purity.

Mr. Namboodiripad said he was confident that the current congress would enrich and unify the party's understanding of the basic concepts of Marxism-Leninism. The party would never give up its adherence to the concept of Socialism and Communism, he asserted.

Mr. Namboodiripad said the last three years had witnessed rapid changes in the national political scene. The period also saw the rise of "aggressive Hindu Communalism," promoted by the BJP. The party had to put up a determined and united struggle against these 'disruptive forces' if national unity and communal amity was to be preserved, he said.

He said unfortunately, the congress which professed secularism refused to take forthright positions and the responsibility of fighting these forces had fallen on the left and democratic forces.

The CPI-M as the major left force in the country, had earned a significant place in national politics.

To fully discharge its responsibilities, the party had to become a mass revolutionary movement as envisaged in the Salkia Plenum in 1978, he said.

Politburo member Harkishan Singh Surjeet accused the World Bank of 'almost capturing India' and warned the Centre that the people would not yield to 'this pressure for long.'

Mr. Surjeet, who is tipped to become general secretary of the party taking over the mantle from E.M.S. Namboodiripad at the ongoing congress, alleged that the two conditions imposed by the IMF, the free hand to be given to

multinationals and the dismantling of the public sector, would have disastrous results for the country.

Charging the Narasimha Rao Government with mortgaging the country to the IMF, he said the Government had not prepared any alternative plan in the 'approach paper' presented at the national Development Council meeting to 'Submission to the dictates of the IMF and multinationals.'

Referring to the fall-out of the Government's economic policies on India's standing in the international arena, Mr. Surjeet said the country's voice was no longer being heard in international fora.

Accusing the Centre of playing to the tunes of the United States, he said this was not going to last as the people had always been 'anti-imperialist.'

He said the developments in Eastern Europe and the Soviet Union were a severe blow to the socialist movement but "we will be able to overcome it."

The proceedings of the congress began after the hoisting of the party's flag by veteran Communist leader M. Basavapuniah.

Speaking on the occasion, Mr. Basavapuniah admitted that there had been 'distortions' in the communist movement in the Soviet Union and the East European countries.

He and Mr. Namboodiripad cautioned the people against the propaganda against communism and socialism by the 'imperialist forces' and the media controlled by them. "There was no alternative to the dictatorship of the working class," they declared.

The two veteran Marxist leaders and another politburo member Harkishan Singh Surjeet made it clear that the Congress and the BJP would be the two main forces against which Left democratic forces would be built up.

Besides, the congress will elect a new central committee, stated to be the highest policy making body of the organisation. The central committee will elect new members of the politburo and also a new general secretary for the next three years since Mr. Namboodiripad has conveyed his desire to step down as general secretary.

Besides, Mr. Namboodiripad, Mr. Surjeet and Mr. Basavapuniah, West Bengal Chief Minister Jyoti Basu, the State's land reforms minister Benoy Chaudhury, CPI-M leader in the Lok Sabha Somnath Chaterjee and other leaders were attending the congress.

The congress recalled the contributions made by Mr. Ranadive, Mr. Saroj Mukherjee, Abdullah Rasol and others to build the Communist movement in the country.

The congress also paid tributes to the 73 'comrades' in Punjab, 296 in Darjeeling district of West Bengal, 222 in Tripura, 74 in Kerala and many others in Kashmir, Assam and other parts of the country for laying down their lives for safe-guarding national integrity and unity.

Controversy Over Resolution

92AS0536B Calcutta *THE TELEGRAPH* in English
5 Jan 92 p 1

[Article by Manini Chatterjee; boldface words as published]

[Text] Madras, 4 January: The CPI(M) [Communist Party of India-Marxist] leadership has come under heavy pressure from its rank and file to take a more aggressive stand against the P.V. Narasimha Rao government with the party's central committee accepting a major amendment deleting a crucial line from the draft political resolution.

The paragraph in the draft resolution on the attitude to the minority Congress(I) government described the difficult political situation today and ended with the line: "In such a situation, the people, after two successive elections, were not prepared to face yet another election."

A large number of amendments are believed to have been received on this paragraph forcing the leadership to delete the line altogether. The party congress is expected to endorse the amended draft tomorrow.

The deletion of this line is a measure to assure partymen that the CPI(M) is in no way soft towards the present government and would like to see it go. However, the question was of timing with the party leadership repeatedly emphasising that the exit of the Narasimha Rao government right now may only help the BJP [Bharatiya Janata Party] further increase its strength. Therefore, the only option before the Left was to step up its mass activity in a big way and channelise the growing discontent with the government's economic policies in a manner that would also put the BJP at bay.

Bitter anti-Congressism: The mood of the party towards the Congress(I) has become far more bitter than before and the party leadership appears to be facing a tough task in explaining the difficulties of fighting both the Congress(I) and the BJP. The sorry state of its allies in the National Front makes it even more difficult and therefore the great emphasis on independent Left activities.

The party leadership is also more anti-Congress(I) because of the government's "sell-out" to the West both on economic and foreign policies. Earlier, the CPI(M) had always supported the Congress(I)'s foreign policy but recent events including India's stand at the G-15 summit, its vote on the UN resolution on zionism and its kowtowing to the U.S. establishment has angered the Left.

This apart, the "World Bank-IMF dictated economic policies" is the biggest sore point with the Left and therefore the Congress(I), which was earlier accused only of "authoritarianism," has become much more of an enemy now.

67 amendments accepted: Briefing newsmen this afternoon regarding the discussions on the draft political resolution, the senior Politburo member, Mr. Harkishen Singh Surjeet, said as many as 2,435 amendments had been received on the draft. Of these 67 had been accepted by the central committee. Most of the amendments were of a technical nature, seeking elaboration or dealing with omissions in

the draft. The only significant amendment accepted was the deletion of the line regarding elections.

Mr. Surjeet also revealed that two more significant amendments had been received but both were rejected. One of them expressed the view that the CPI(M) had underestimated the growth of the BJP. This had been rejected since the party had warned against the growth of the BJP and the need to isolate it at the last party congress in Trivandrum itself and put up a consistent fight against the BJP, Mr. Surjeet said.

The second one dealt with the international situation and felt that the crisis in the Soviet Union began only from the time of the 20th CPSU congress (when Nikita Khrushchev denounced Stalin and floated the theory of peaceful coexistence with the capitalist world). Mr. Surjeet said the second draft on ideological issues had dealt at length with the immense harm caused by the "revisionism" unleashed at the 20th CPSU congress. However, the party's comprehensive analysis (which includes criticism of the pre- and post-Khrushchev period) of the collapse of socialism in the Soviet Union and Eastern Europe was more valid.

Apart from the amendments received from ordinary partymen before the congress, several more have been submitted by delegates yesterday and this morning. These were being sorted out and the final adoption of the amended resolution would take place tomorrow, Mr. Surjeet said.

He also emphasised that "no delegate has questioned the basic thrust of the document. There is agreement over the political-tactical line charted out. I can tell you that our party will come out from this congress more united to face the challenges ahead..."

Call For De-Stalinization

92AS0536C Madras *INDIAN EXPRESS* in English
7 Jan 92 p 1

[Article by K. Govindan Kutty]

[Text] Madras—A fervent call for de-Stalinisation was heard in the CPI(M) [Communist Party of India-Marxist] congress on Sunday, giving the deliberation on the ideological resolution a refreshing tenor. The call came from Mr. P. Govinda Pillai, a communist theoretician of repute, generating a flurry of intellectual discourse among delegates.

It was somewhat of an event in the history of the party, which has always placed premium, on age to ask a comparatively young person to introduce the ideological resolution. (Mr. Sitaram Yechury, central secretariat member, who introduced the draft resolution on ideology earning admiration from delegates for his presentation, is under 40 years).

Mr. Govinda Pillai, who struck a new note of liberalism in the course of his speech, was among the early speakers on Sunday afternoon. He had been the chief editor of the party's Malayalam daily DESABHIMANI, for several years and also the editor of NEW AGE when it was the organ of the undivided Communist party. Mr. Govinda

Pillai was also a CPI(M) secretariat member for some time and the director of the research centre named after A.K. Gopalan.

Mr. Govinda Pillai had been in limbo for quite some time when he was demoted to the lowest branch unit of the party. He was under suspension earlier. He had been censured for denouncing the outrage in Tiananmen Square in Beijing and admonished for creating a controversy by visiting Sai Baba in Puttaparthi and causing embarrassment to the party leadership. He has since been elevated to the state committee.

Mr. Govinda Pillai's call for de-Stalinisation of the party was not in the form of outright condemnation of Stalin. While he agreed that Stalin had played his own role in the history of the party and there were good and bad things to be said for him, Mr. Govinda Pillai took the view that it was wrong to place Stalin on the same pedestal as the trinity of Karl Marx, Frederick Engels and V.I. Lenin.

If that was to be so, Mr. Govinda Pillai pointed out, there were those like Ho Chi Minh and Mao Zedong who should also be given an equal place. It would be ideologically discreet, according to him, not to accord Stalin a place that was not due to him.

This observation is significant especially against the backdrop of a growing recognition of the distortions in the theory and practice of communism during the Stalin era.

Mr. Govinda Pillai also knocked the bottom out of a time-honoured communist assumption of the sanctity of the dictatorship of the proletariat, when he said that the party would do well to abjure references to dictatorship as such. This was, according to him, a theoretical formulation. Since what was intended was no more than the kind of total control that a majority party would have in bourgeois democracy, Mr. Govinda Pillai said it would be desirable to discard a term that had come to acquire a negative inflection.

Mr. Govinda Pillai was in full agreement with the endeavour to infuse into the party's mind a strong element of democracy. The ideological resolution was a tribute to this urge for democratisation. This was the inference he drew from the meticulous care with which the resolution referred to the co-existence of various forms of ownership and the place for several parties in a communist state. At the same time, Mr. Govinda Pillai felt there was scope for revision of the concept of class in today's context. Economic status alone was not the criterion that determined the behaviour of various strata of society. Mr. Govinda Pillai also pointed out that the party should take into serious consideration the concept of the 'new class' enunciated by Djilas, the Yugoslav leader.

The discussion on the ideological resolution was inconclusive. While Mr. Harkishan Singh Surjeet said there was totally unanimity on the validity of Marxism-Leninism, he said that there was a volley of amendments seeking to clarify or improve various formulations in the draft resolution. There were many who questioned why the distortions in socialist construction were not discovered on time.

As Mr. Surjeet put it, many delegates were "unsparingly critical" of the defects in the practice of Marxism-Leninism which had manifested themselves in the erstwhile Soviet Union and other socialist countries.

The ideological draft did concede that the party was not able to discern distortions in the system, since the leadership placed excessive confidence in the analysis provided by those countries. The delegates were "sharply critical" of the abandonment of the Marxist position by the Soviet leadership under Mr. Mikhail Gorbachev.

There was a wide range of questions about the relevance of the Marxist ideology which Mr. Surjeet answered and ended with an assertion that the transformation from capitalism to socialism was inevitable.

Ideology Discussed

92AS0536D *Bombay THE TIMES OF INDIA*
in English 9 Jan 92 p 8

[Article by G.V. Krishnan]

[Text] The leaderships of the CPM [Communist Party of India-Marxist] and the CPI [Communist Party of India] appear to have one thing in common—their inability to explain, to the satisfaction of the party cadres, the why and how of the collapse of the communist regimes in Eastern Europe and the dismantling of the Soviet Union.

The CPI has nominated a three-member panel to update the party document, taking into account opinions expressed at the recent party national council session held in Coimbatore. The CPM congress, in session here, has had to adopt a scaled-down resolution, for the party leadership has yet to find a satisfactory answer to questions raised on the distortions and deviations in implementing socialism in the Soviet Union under Gorbachev.

As the CPM spokesman and politburo member, Mr. Harkishan Singh Surjeet put it, the Soviet developments called for an in-depth study. So the CPM congress opted for the adoption of a resolution on certain ideological issues leaving out those that remained to be discussed. Would there be a plenum to take up the unfinished part? Mr. Surjeet said the discussions on the ideological question was an on-going process. What then was the compulsion to adopt an inadequate document, instead of an all-in resolution on the ideological issues?

No communist party could exist without an ideology, said Mr. Surjeet, adding that the 14th congress, in adopting the resolution, had stressed the validity of Marxism-Leninism.

The CPM spokesman, in his opening remarks at the daily press briefing yesterday, said he was going to disappoint those who had anticipated that the party congress would have a difficult time adopting the ideological resolution. He went on to say that the resolution on certain ideological issues was adopted unanimously after accepting over 70 amendments. These were mainly in the nature of strengthening the basic formulations contained in the 35-page draft resolution on ideological issues.

Having coped with the ticklish ideological issue, the CPM congress yesterday took up for discussion the draft report on organisational matters. The 47-page report reviewed the implementation of the Salkia plenum decisions and the pressing task of strengthening the party.

Introducing the report, Mr. Prakash Karat, a member of the party secretariat, pointed out that total membership of the CPM today was 579,000, representing an increase by three and a half times since the Salkia plenum in 1978 (when the CPM strength was 161,000 members). There was a six-fold increase in the CPM mass organisations (28,700,000 members) during this period.

Referring to the need to strengthen the party further, Mr. Surjeet observed that a mass movement alone would not help in overcoming the problems faced while implementing socialism. Understanding the ground realities in the party organisation was equally important, said Mr. Surjeet, adding that the CPM could not be expected to play a political role in the prevailing national situation in the absence of a strengthened party, both in the ideological and organisational terms.

The Salkia plenum report emphasised the need for adherence to democratic centralism and strengthening the inner-party democracy. The report also suggested that the central control commission (to look into matters of party discipline and allied issues) should be directly nominated by the CPM congress. The chairman of the control commission would be an ex- officio member of the party central committee.

Notably, the CPM, in its organisational measures to strengthen the party, can be said to be guided by its concern at the growth of the BJP [Bharatiya Janata Party], which, by the CPM's own reckoning, has emerged as an alternative to the Congress. That the BJP has been able to make inroads into the peasantry is not lost on the CPM leadership.

Mr. Surjeet, who has accused the BJP of seeking to divert public discontent into divisive channels, refused to be drawn into reacting to Dr. Murli Manohar Joshi's charge. "I don't react to Dr. Joshi, who is out to disrupt the country's unity," he said. The BJP president is reported to have said that the left parties were preparing the ground for another partition. Dr. Joshi had called for a national debate on the question whether India was one nation or a multinational federation of states as perceived by the left parties.

Mr. Surjeet pointed out that Mr. A.B. Vajpayee (whose party opposed Article 370) had at one stage maintained that there should be no change in Article 370, if India's unity had to be maintained. The CPM leader refuted the BJP charge, saying that all other parties had acknowledged that when it came to the issue of unity, the CPM was all along in the forefront to defend nationalism.

In response to a question, the CPM leader asserted that his party stood for religious freedom and it was a stout defender of the interests of all minorities.

On Punjab, the party's position was that the forthcoming elections should become a political weapon to isolate the extremists. To accomplish this, the government should come forward with measures to facilitate a political solution to the Punjab tangle. This would give the moderate Akalis a credible issue on which they could go to the poll.

Mr. Surjeet reiterated that if the government wanted to draw in the Akalis and masses into the poll process, it should announce without any further delay its decision on issues such as the transfer of Chandigarh to Punjab and the question of sharing the river waters. The least the government could do was refer the issue to the supreme court, said Mr. Surjeet.

His understanding was that the bureaucracy was toying with the idea of the Centre announcing some political measures after the elections in Punjab. Accusing the congress of seeking to further its narrow party interests, Mr. Surjeet said such approach had played havoc in Punjab.

A resolution adopted by the CPM congress welcomed the Centre's decision to hold elections in Punjab and called for measures to create an atmosphere in which a free and fair poll could be held. The objective of isolating the secessionists and defeating them could only be achieved by carrying out some political measures, said the resolution, adding that such measures could strengthen the democratic and moderate sections among the Akalis. The question was to provide them with something on which they could go to the people.

Referring to the terrorist threat, Mr. Surjeet said extremists renewed their threat to liquidate those who participated in the elections even as the moderate Akalis were holding a meeting to consider the issue.

More on 8 Jan Session
92AS0536E Bombay *THE TIMES OF INDIA*
in English 9 Jan 92 p 16

[Article by G.V. Krishnan]

[Text] The 14th CPM [Communist Party of India-Marxist] congress today decided on setting up a commission to update the party programme pertaining to the assessment of international and national developments. The updated programme would be adopted at a special party conference to be held later this year.

The CPM central committee had initially considered holding a plenum for the purpose. The party spokesman and politburo member, Mr. Harkishan Singh Surjeet, said radical changes in the international Communist movement necessitated the update, for the relevant sections in the present document on the party programme were drafted in 1964.

Mr. Surjeet reiterated that the CPM was the least affected by the crisis in the international communist movement. He claimed that no member had left the party. There was, however, a need to strengthen the party membership both in terms of numbers and the quality of membership.

A report on the party organisation adopted at the CPM congress stressed the need to educate and train a sizeable section of the cadres on the party ideology and strategy. Over 70 percent of the CPM members joined the party after 1980. That most of them were below 40 reflected the youthful composition of the party.

Mr. Surjeet has indicated that the CPM congress would decide on taking in the young blood in the party leadership. The expectation is that the CPM politburo would be expanded to accommodate younger elements. The names of Mr. Prakash Karat and Mr. Sitaram Yechury are mentioned in this connection.

Mr. Yechury introduced the draft ideological resolution and replied to the discussions on behalf of the steering committee. Mr. Karat, a central committee member, introduced for discussion the draft report on the party organisation matters.

The report expressed satisfaction at the representation of the scheduled castes in the CPM cadres in several states.

Officials Elected, Closing Session

92AS0536F Bombay *THE TIMES OF INDIA*
in English 10 Jan 92 pp 1, 13

[Text] The newly-elected CPM [Communist Party of India-Marxist] general secretary, Mr. Harkishan Singh Surjeet, today wound up the proceedings of the party's 14th congress with a call to the CPM cadres to sink their differences and get down to work on the prescribed party line.

"We would not give any quarter to factionalism, individualism and bourgeois vices," said the CPM general secretary, adding that the prime task of the cadres should be implementation of the decisions of the party congress. He described it as the start of the long march in the history of the communist movement.

Addressing the concluding session of the week-long CPM congress, Mr. Surjeet made no attempt to wish away the clash of views (which always emerge in any democratic discussion) during the debate that covered the political and ideological issues and also matters concerning the party organisation. "Many people thought that the ideological question would divide us," said Mr. Surjeet.

The CPM congress conveyed to the doubting Thomas' the message that the party showed no signs of falling apart. The resolutions that were adopted not merely equipped the cadres, politically and ideologically, to strengthen the party base but also provided a weapon in our struggle against revisionism in the world communist movement.

Mr. Surjeet maintained that the CPM remained the strongest single communist force in the entire capitalist world. This at a time when the international communist movement was in crisis. The national situation was never so complicated, with the Congress regime having surrendered the country's economic sovereignty to the whims of U.S. imperialism to the IMF-World Bank dictates.

Stressing the need to strengthen the ideological moorings of CPM cadres Mr. Surjeet said you don't turn a communist merely by joining the party—to be a communist one must become a Marxist-Leninist. The CPM general secretary held that building up the party organisation along the ideological line was an all-important pre-requisite to fulfil the revolutionary task. A bourgeois party functioned without organisation, said Mr. Surjeet, adding that the congress never held elections for party organisation.

Mr. Surjeet's election as the CPM general secretary was long expected and widely accepted in party circles. Seventy-six-year-old party veteran with noticeable presence on the national political scene is considered more open-minded than Mr. E.M.S. Namboodiripad, though the latter is acknowledgedly a taller figure in the communist movement.

Apart from his advanced age (EMS is 84) and the health condition a factor that did not favour Mr. Namboodiripad's continuance as CPM general secretary was that the younger elements who account for 70 percent of the party cadres, regard EMS as a father figure with a considerable past, but short on the drive and dynamism required to steer the party through the political rough-and-tumble in the coming years.

The CPM congress can be said to have met a widely expressed cadre expectations about drafting younger elements into the CPM politburo and the party central committee. The expanded politburo (increasing its strength from 11 to 17 members) announced at the concluding session of the CPM includes Mr. Prakash Karat and Mr. Sitaram Yachury (both below 40). Other new entrants in the politburo are a former Kerala chief minister, Mr. E.K. Nayanar, Mr. S. Ramachandran Pillai, Mr. Sunil Maitra, Mr. P. Ramachandran and Mr. Sailen Dasgupta.

The outgoing CPM general secretary, Mr. Namboodiripad, is retained in the politburo. So is another party veteran, Mr. Basavapunnaiah, who had reportedly offered to opt out to accommodate a younger person.

The CPM congress has chosen to retain the party old guards. To accommodate younger elements the party congress decided on expanding the politburo on a scale that the party had not done earlier. Observers viewed its uncharacteristic of the party that believed in a close-knit and compact politburo. Of the 63-member party central committee elected by the CPM congress there are five new entrants—Mr. Ananda Pathak, Mr. Ram Narain Goswami, Mr. Balwant Singh, Mr. Harkanwal Singh and Mr. Hari Singh Kang.

In a notable departure from a long-held routine, the CPM congress elected the three member control commission (pertaining to disciplinary action and related party organisational matters) headed by Mr. Samar Mukherjee. The control commission members had so far been nominated by the CPM central committee. Other two elected members of the commission are Mr. Rubin Sen and Mr. D. Janakiraman.

There was no word about reconstitution of the CPM central secretariat. All four members of the secretariat figure in the expanded party politburo. This has given rise to the belief that the party leadership may well have quietly dropped the idea of having a party central secretariat.

The credentials committee of the party congress reported that 626 delegates and 71 observers attended the seven-day CPM meet.

The committee report observed that the West Bengal state party unit elected only 160 delegates for the party congress, instead of 170 seats to which the state unit was entitled because of some confusion. The central committee sorted it out by allowing in additional observers from West Bengal.

Mr. Nripen Chakravarti (89) was the oldest among the delegates to the congress. Mr. Hen Raj (26) from Himachal Pradesh, the youngest. The credentials committee named Mr. Mahadev Saha as the delegate with the longest party life—he joined the Communist Party in 1932. The delegate who spent the longest stint underground (13.5 years) in his political life was Mr. P.K. Chandranathan from Kerala.

The class composition of the delegates who attended the 14th CPM congress reveals an interesting feature. The figures given by the credentials committee report indicate that the working class, the farm labour and the poor peasantry (the sections widely believed to constitute the main support base) were outnumbered at the party congress by other sections who are generally associated with the bourgeois party.

According to the CPM report, rich peasants, landowners, the middle-class and bourgeois accounted for 51 percent of the delegates.

CPM Seen Moving Toward Open Opposition of Congress

92AS0528B New Delhi JANSATTA in Hindi
5 Jan 92 p 1

[Article by Rajesh Joshi: "Now CPM Will Oppose Congress (I)"]

[Text] Madras (4 January)—The central committee of the Communist Party of India(M) [CPM] has indicated its changing attitude toward P.V. Narsimha Rao's minority government by removing a statement from the party's political proposal. After the debate on this proposal and the approval of another amendment, these sentences were added: "The people are not ready for another election after two elections. The performance of the Rao government will decide how long it will last."

Mr. Harkishan Singh Surjit, member of the Politburo, said that party members sent 2,435 amendments and 187 proposals to the central committee by 28 December. The central committee rejected several suggestions. In one of the rejected amendments, it was proposed that the Bharatiya Janata Party [BJP] should not be evaluated after weakening it.

Mr. Surjit gave another jolt to P.V. Narsimha Rao's politics of mutual agreement. Mr. Surjit expressed a negative reaction to the prime minister's proposal to have a joint candidate in Punjab. He said that until a political solution is found, the question of a joint candidate does not arise. He postponed answering all questions to the next day and said that the Congress and the party would discuss various political proposals, and that the final decision would be made by the Congress party.

But the loudness he used in communicating the central committee decisions to newsmen clearly shows the party's stand. Mr. Surjit said that Prakash Singh Badal and Harcharan Singh Tohra have been demanding for a long time to implement the Rajiv-Langovala agreement. "The political situation in Punjab cannot be stabilized without taking the Akalis in confidence, and the terrorists cannot be left out."

He said that when the Home Ministry mentioned the accepting political demand after the first elections, he had opposed it in a letter to the prime minister. Mr. Surjit said that "elections can be held anywhere, just as they did in Assam; however, that would not benefit anyone." When asked if removing the sentence, "The people do not want an election," meant that the CPM was expecting another election, Mr. Surjit replied, "Do not try to trap me. Everything will be obvious by tomorrow. I do not want it to happen that I say one thing and the Congress party decides something else." The Marxist Communist Party of West Bengal had told party workers to be ready for the elections in their meeting in Siliguri.

The CPM was not in favor of overthrowing the minority government at the Center. It did not want the BJP to benefit from the elections. However, it will lose ground if it does not change its attitude toward the Rao government with its support for the left wing and its pro-United States economic policies. The CPM committee has given a long rope to the Rao government for a long period, and it will not be in any position to answer to the public. The question is being raised repeatedly, "How can you appeal for cooperation in the Parliament?" The CPM wants to challenge the Rao government over economic issues. The BJP gives full moral and philosophical support to the new economic policies. The CPM wants to attack both parties over this issue with one arrow.

Mr. Surjit admits that the BJP was successful in using everyone in the name of a national front government. He said, "We had warned the Janata Dal about the BJP, but they did not listen. We also had decided to run a joint candidate against the Congress candidate. The BJP benefitted greatly from this." Mr. Surjit said all this while discussing the strength of the BJP.

He said that the central committee had rejected the proposal mentioning that the BJP was being evaluated after being weakened. Surjit added, "I have been warning against the rise of factionalism from the very beginning."

He presented the political proposal to the representatives for discussion yesterday. Before this, the central committee had presented the report about negotiations with

the Congress party. Mr. Surjit told us that the negotiations that were held with the Congress party all over the country also resulted in support of this proposal. The central committee accepted only 67 of the 2,435 revisions. Discussions are still being held; however, the alteration that were rejected by the central committee are being introduced again.

The third session of the Congress party, in which 15 leaders discussed the political proposal, started this morning.

Interview With CPI-M General Secretary Surjeet
92AS0612A New Delhi PATRIOT in English 14 Jan 92
 p 5

[Interview with General Secretary Harkishan Singh Surjeet by V.D. Chopra; place and date not given: "Surjeet: CPI-M To Fight Against Threat To Unity, Economic Independence"; boldface words, quotation marks as published]

[Text] The following are excerpts from an interview with CPI-M general secretary Harkishan Singh Surjeet:

VDC: What are the new elements in the thinking of the CPI-M [Communist Party of India-Marxist] about the national situation? Is there any change in the policy of the CPI-M which till recently was based on fighting "two enemies" the Congress and the BJP [Bharatiya Janata Party] simultaneously?

HSS: You have put this question in a schematic manner. While formulating this question you have missed the key link, the dialectical link between the fight against the policies of the Congress and the growing monster of communalism. The Indian situation is too complex and cannot be assessed in terms of formulas. A close look at the course of events since independence shows that the set of policies which the Congress has been following has created distortions in our economy—its failure to implement land reforms, curb concentration of wealth and opening up the womb of Indian economy to multinationals, particularly during the last one decade. This is the basic factor which should not be ignored. As a result of these policies, the Congress has been slowly though surely losing ground among the masses. This trend was clearly reflected in 1967 and again in 1977. However, it is during the recent past that a sharp erosion in the support base of the Congress has taken place. The recent two elections to the Lok Sabha have graphically proved that the political situation in the country has reached a turning point where a single party rule at the Centre was not possible. This marked a significant break from the long period of one-party dominance.

VDC: How do you explain the rise of religious revivalism, particularly steep increase in the mass influence of the Bharatiya Janata Party? Why are the masses disillusioned with the Congress or going over to the communal parties, the BJP in particular?

HSS: This is a very relevant question. As I have already explained, the distortions which have taken place in the economic development of the country, the growing disparity between the various sections of people in particular,

have their own logic. It has led to widespread discontent among the people. This is a harsh reality. It is this discontent which has provided the social base for all communal, regional and parochial forces. Hindu communalism is seeking to make out that Hindus are a nation and constitute a homogeneous, socio-economic entity—from the most affluent industrialists and rich farmers to agricultural workers and industrial workers. At no time since independence, was the communal polarisation so sharp and the threat to secularism so grave. Centring on the Ramjanamaboomi-Babri Masjid dispute, the VHP [Vishwa Hindu Parishad], the RSS [Rashtriya Swayamsevak Sangh] and their allied organisations launched a systematic and virulent campaign directing their ire at the minority community. This was supplemented by the BJP campaign against "pseudosecularism" which actually is an assault on the secular basis of our polity.

It will be pertinent to recall here that the stepping up of the agitation for building the temple at Ayodhya by the VHP, with October 31, 1990, as the deadline and the BJP directly plunging into the movement by launching Advani's rathyatra were the signals for widespread communal riots. What happened is a blot on India's image. Gonda, Agra, Aligarh, Bulandshahr, Khurja, Etah, Kanpur were some of the worst affected districts. Outside UP [Uttar Pradesh], horrific riots took place in Hyderabad, Jaipur and in several towns of Ujarat and Karnataka. A disturbing feature was the large number of industrial centres which were affected.

VDC: In the pre-independence period, communalism and its ideological superstructure was used by the imperialists, feudal landlords and Hindu orthodoxy for buttressing their interests and fighting the rising national patriotic movement. A sea change has come about in respect of communalism in independent India. Is this merely due to discontent among the people? Was there not discontent among the people during the colonial rule? What are the new elements in the present-day communalism?

HSS: There are certain new elements which have nursed communalism so long and led to the appearance of the monster of communalism that it is pushing our country to the brink of precipice. But before I elaborate this point, there is one more dimension which needs to be taken into account. The weakness of the Left in the country as a whole is posing a big problem as the discontent arising from the Congress policies is being made use of by the BJP and its allies. The enormous growth of the BJP during the last three years. Is undoubtedly also the result of the policy of compromise pursued by the Congress, its failure to defend socialism, combined with the failure of the bourgeois opposition parties to realise the communal danger. The grave threat of majority communalism which has already led to large-scale riots, combined with intensified activities of the fundamentalist and separatist forces, constitutes a well-designed assault on Indian unity by the forces of reaction backed by imperialism. Therefore, the most important question before us today is to defend national unity and the unity of the country. The future progress of the democratic movement depends on whether, while

firmly defending national unity, we are able to mobilise the growing discontent against the Congress rule in a democratic direction or whether the communal and fundamentalist forces are able to divert it into divisive channels. This requires a three-pronged battle on the economic, political and ideological fronts.

VDC: This brings me to another question. How is it that while in certain sectors of Indian economy modernisation has taken place, the fundamentalist, parochial and regional forces have succeeded in expanding their mass base.

HSS: We cannot expect our working people, particularly the peasantry, to support with any enthusiasm the modernisation of the economy, especially radical agrarian reforms, without weeding out from their minds at the same time their deeply rooted feudal outlook. They have been fed for centuries on the ethical beliefs that their miserable lot is the result of their 'sins' committed in the previous incarnation or their wrong doing in the present life rather than the outcome of the backward, unjust and grinding economic order. Feudal socio-economic dogmas regulate their minds and direct their consciousness, reinforced by some mumbo-jumbo of theological hotch-potch. This breeds strange mystical attitudes and metaphysical beliefs. One cannot accept veneration for a reactionary feudal socio-economic outlook and yet hope to work for its liquidation. It goes without saying that an important pre-condition for creating a modern, rational outlook is by supplanting the material conditions that sustain the feudal world. But since any such radical move is bound to bounce back on the material conditions and make them all the more resistant, a sustained and relentless struggle against them will have to be mounted.

Thus, the ideological offensive against fundamentalism is as important as the fight against the feudal socio-economic order which gives birth to it. One cannot have a compromising attitude towards it and yet claim that one is fighting to dislodge it. There is no doubt that a section of the Indian intellectuals has been brought up in an atmosphere in which loyalty to their respective religious philosophy continues to influence their intellectual commitments and endeavours. An emphasis on supremacy of the inward life over external phenomenon inevitably leads to metaphysical pre-occupations. Therefore, there should be no illusion that age-old veneration for feudal ideas and beliefs can be easily wished away. All the same, there is no need to despair for truth is not necessarily what we have become accustomed to imagine as true for centuries something being time-honoured is no sufficient reason for its acceptance. We shall perhaps have to wait for a genuine change in our thought processes and practices. Among traditional philosophies in our country, there were also those which did change from time to time the existing pattern of thought and time-honoured beliefs, which, for the sake of scientific temper and our progress we propose to oppose today. That is why in this Congress we paid special attention to the problem of ideological struggle and examination of the rich heritage of Indian philosophy. It is with this tool that we propose to launch a counter-offensive on the ideological plane against communalism. Abstract

denunciation of communalism will not take us far. We also shall not hesitate to enlist the support of all genuine secular forces in the country in the fight against communalism.

VDC: What concrete political step you have in mind in this regard?

HSS: In our party Congress we decided on immediate attention to be paid for the political solution of the Punjab, Kashmir and Assam problems. The political solution obviously implies that the genuine demands of the people of these States within the framework of Indian unity should be met. We are also of the firm view that the Babri Masjid dispute should be settled by negotiation or by court verdict. We are working out the details to achieve these objectives in consultation with other secular forces.

VDC: You have recently been talking about economic independence, self-reliance and mixed economy. What really do you mean by this?

HSS: At the present stage of Indian economic development the concept of mixed economy the role of public and private sectors and economic self-reliance have assumed a new importance. When I talk about economic independence, what I have in mind is that the concept of economic independence should be seen in relative terms. In a period of globalisation of economy, international economic relations have to be restructured on a new basis. What India today is witnessing is that a concerted attempt is being made to weaken Indian economic independence, dismantle its public sector and thus turn India into an agrarian appendage of the highly-industrialised capitalist countries. After decolonisation, a new attempt is being made to exploit the natural resources of the developing countries and use them as markets for the goods manufactured by the highly industrialised developed countries. It is in this context that our party now is placing before the people an alternative economic policy. The main component of this new alternative economic policy is that the process of formulating internal economic policies under the dictates of the IMF and the World Bank should be reversed. The incidence of direct taxes should be increased. Black money should be curbed, non-essential imports should be stopped. Basic changes should be made in the new industrial policies. Sick jute and textile mills should be taken over by the Government.

Instead of privatising the public sector, it should be further strengthened and should be run by professionals and not by bureaucrats. Thus, the thrust of fiscal and industrial policy along with implementation of land reforms will make the country economically more independent and self-reliant. This is a new perspective which we are placing before the people. We have decided to mobilise the entire Indian nation behind this perspective. It will not be incorrect to say that we propose to give a new content to the swadeshi movement. This, however, does not mean that we are against getting modern technology. We certainly want that we should purchase modern technology.

But at the same time this does not imply that under the coverage of getting modern technology, we should surrender our economic independence. This is going to be the

main thrust of our approach. We are confident that all the patriotic Indians would support us in this endeavour.

Objections to Proposals on Intellectual Property

92AS0524 Madras INDIAN EXPRESS in English
10 Jan 92 p 1

[Article by Bharat Bhushan: "GATT Proposals Violate Sovereignty"]

[Text] New Delhi—The worst fears of those opposed to the General Agreement on Tariffs and Trade (GATT) and the intellectual property rights regime that it seeks to impose on its signatories, have come true. Although some in the Indian Government are pretending in public that the proposals of Mr. Arthur Dunkel, the Director General of GATT, in this regard are favourable to India, nothing could be further from the truth.

The Dunkel proposals on Trade Related Intellectual Property Rights (TRIPS) represent a major setback to the Indian position on patents. The Indian government is under pressure to respond favourably to these proposals by January 13.

If the Dunkel proposals are accepted, India would have to jettison its existing patent laws, virtually accede to all the major provisions of the Paris Convention and write off the prospects of indigenous development of its industry and agriculture.

The Indian Parliament would have to change the Patents Act to bring it in conformity with what Mr. Dunkel wants, as the present Act would become untenable under the GATT Agreement being proposed.

One of the most important provisions of the Dunkel proposals is that imports would become tantamount to the working of a patent. This would throw out of the window the idea that a patent holder should either work the patent (put the invention to actual industrial use) or else be compelled to enable others to do so against the payment of royalty. Through imports, in field after field, international monopolies would thus be created and maintained—effectively subverting the idea of encouraging and strengthening domestic industry.

There would be no compulsory licensing and no provision for the working of the patent obligation in public interest as is the case now. A fraudulent transitional period—10 years in the case of India—which falls in the least developed countries category, would be allowed for amending the Patent Laws and the application of the GATT provisions. Fraudulent, because during this period there would be no incentive for the industries and inventors in these countries to innovate—thanks to the knowledge that the transition period is remarkably short.

India, which up to now, has been opposed to patenting biotechnology products—especially seeds and various other technologies where the manipulation of plant and animal life-forms are involved—would have to give up this position. In the Dunkel proposals, seeds, micro-organisms, non-biological and micro-biological processes for the production of plants and animals are all patentable. Plant

varieties are to be protected either by patents or "by an effective *sui generis* system or by any combination thereof". This means patents, plant breeder's rights as well as UPOV (International Union for the Protection of New Varieties of Plants) convention may be used separately or in combination to impose intellectual property rights in agriculture. Acceding to these proposals would amount to a major assault on Indian agriculture and to preventing the spread of new technology in it. More important, Indian farmers would then become captive to Western seed companies.

Even more significantly, India would have to retreat on the process versus product patents issue as well as on the term of the patent. At present, the Indian Patents Act allows only process and not product patents in certain sectors (e.g., Health, Food products, etc.) and that too for a period varying for health products from 5 to 7 years and for others for 10 years or longer. Now both product and process patents would have to be allowed for a uniform 20 year period. An extreme but possible scenario could be that a product is patented for 20 years and the process to make it is patented for another 20 years thereafter.

The product patent applications under the Dunkel proposals can be made from the date the GATT Agreement comes into force. This means that applications for product patents could be filed with effect from January 1, 1993 i.e. less than a year from now.

As the patent protection is for 20 years, one can safely assume that after January 1, 1993, the national companies in India would not be able to produce any new products.

The exclusive rights conferred on the owner of a patent are such that they prevent third parties from making, using, offering for sale, selling or importing the patented product (or a product obtained directly from a process, in the case of a process patent) for these purposes.

The Dunkel proposals also provide for monitoring the operation of the GATT agreement by a Council on Trade Related Aspects of Intellectual Property Rights. The Council on TRIPS would provide assistance for dispute settlement procedures and it would also make arrangements for cooperation with bodies like the World Intellectual Property Organisation.

Analyst Views Keys to National Development

92AS0529A Varnasi AJ in Hindi 20 Jan 92 p 6

[Article by Sagar Singh: "Nation Building and Nationalism"]

[Text] Even 45 years after independence, the democratic system of our country is still incomplete. Not much has been done to make it a full democracy, and as a result, we are running into new problems. Democracy is not just a political system, it is a philosophy of life; a system of living. It can be run only after establishing a long tradition and practice. It is important to establish and adopt modern ideology in this society.

In our country, where this system was never implemented, and where there was a tradition of kings that was followed by dynasty after dynasty, we need to start major efforts to

create an appropriate environment for it. In addition, in our country, there are many religions, many sects, and speakers of many languages. In such a society, we must work very hard to make the democratic system successful. The roots of religious and sectarian feelings are very deep. Freedom from the religious rigmarole and teaching people about present knowledge and science is a major undertaking. We have to accept the responsibility of uniting our nation, promoting a feeling of nationalism, and building our nation. The campaign that was started to cut the bonds of slavery and free our nation was led by Mahatma Gandhi, a religious person. He had adopted religion, and understood it wholly. India's cultural history calls for world unity. According to our culture and history, one emotion and one spirit is prevalent everywhere. The whole world is tied together. Our message has always been to be friendly with every living being and to oppose atrocities and ill action. This is the essence of life. Mahatma Gandhi understood this, as well as the heart of Indian culture, and raised the whole nation, which was insulted and had served as a slave, with the mantra of self-dependence. He removed the untouchability and differences between men and women in Indian society. He eliminated the corruption and tyranny that was hurting India's social well-being. He gave new life to India. He raised the feelings of love and peace in every citizen of the country and preached the real religion. The same message was given before him by Buddha, and this message was spread by the Sufi scholars and the holy books of gurus. After understanding this essence of religion, there is no room for hatred and jealousy in our social life. Indian culture was developed by the people living in India. All religions and all groups have played a role in developing India's culture. Our relations can become very congenial if we understand this secret of Indian culture from the heart.

We have to meet the responsibility of building a lively nationalism here on the foundation of our past heritage and modern "scientific knowledge." This can be achieved only by equal participation and effort by everyone living in India. This effort can be possible only when we adopt a feeling of love, good will, and friendship among ourselves. When all of India's people develop an atmosphere of trust and love for each other, as well as an understanding of Indian culture, then a national atmosphere, appropriate for national prosperity, will be created. All religions will be equally respected, and no part of society will be insulted. Everyone will have equal opportunities and amenities, and all will be self-motivated.

Nations cannot be built on religious bases. There is no country in the world that does not have people belonging to different regions. A nation is built around its culture and its cultural history. India has been a nation of diverse societies since ancient times. It has been a nation of many religions. Our tradition had been of mutual good will to ensure that this system would be successful. We have a tradition of tolerance. That is why we not only declared our goal to be the welfare of all of humanity, but also practiced it. We should not be worried by this national policy; we just have to be very careful. No periodic craze can move us from this truth. We must be alert about it. In

order to achieve this goal, young people of every religion will have to take the leadership.

We must make plans to train young men from all sects, all religions, and all castes to achieve this goal. We have to undertake the task of training the youth of tomorrow at a national level to teach them new and realistic emotions the same way young people were trained for the freedom struggle in schools established in various states. It is very important to create a feeling of awareness among the people in order to rebuild a new society. We have to change the practice of making our people act as silent spectators. The restlessness among the people can result in serious problems. A feeling of disappointment among the people working in the public sector can be very dangerous. Therefore, we must take care of the psychological problems in our society immediately.

We have to create a wave of enthusiasm for rebuilding our nation. We should light the lamp of hope for a bright future instead of having apathy among the people. Rather than letting our social strength scatter, we must unite it and make it strong.

The crossroads at which our nation is now standing asks for new leadership. The society is weakening fast. New questions are emerging and seeking solutions. We have to present answers to all of these questions. We have been able to defend ourselves and make progress by providing answers to such difficult questions on the basis of unity, courage, mutual love, and good will. We have to give evidence of this proactive intellect again.

We must learn from our history. The people who were involved in fighting among themselves had to leave their positions of power because, in spite of being very strong, they were fighting among themselves and did not expound a joint national ideology. We should learn from history and build national philosophy. We have to make our young people learn this truth from the heart.

It is extremely important to develop feelings of nationalism, antisectarianism, national unity, and public awareness to make social progress. To this end, we must educate our society about modern science and knowledge. We have to build a strong and likable human society on the foundations of freedom, unity, and a national language. That is the inherent message of Indian culture, and all great men who worked to help people, regardless of the country or the age they lived in, gave this message.

What I am saying is that we have to reach the goal of a cultural revolution, where we must free people from political, social, and cultural exploitation. We will be able to find the answers to our questions in this new cultural revolution and end the present religious and sectarian lunacy. To do so, we must seriously study the world history of social development, and we cannot ignore the writings of the scholars in this area.

The present Indian society, whether it is religion-based or sectarian, is suffering from various social ills and religious superstitions and is being exploited by vested interests. Most of the people are disappointed by the structure of our

society and culture. Who will free them from social slavery by waking up their intellect and thinking? We do not have a magic wand. We do not even have a reincarnation of a great person. Only educated and determined young men from various sects will be able to free us from social injustice and atrocities.

The top leadership of all groups, the top capitalists of our country, and the top bureaucrats of our government make up a total of less than 1,000 people. They have established a group of privileged people. It does not matter who forms a government; the aforementioned three groups will use all the resources in this society for their comforts and luxury living. The group owns and controls all production resources. The remaining public is suffering and crying leading lives of insufficiency. They are being exploited. Their hard work, their intelligence, and their writings are being exploited. In order to make sure their attention does not focus on this exploitation and they do not learn more about it, these three groups that are enjoying their luxurious and easy lives are very cleverly keeping these people occupied in religious fanaticism, sectarian fire, and caste-related wars. This way these groups are building walls of security around themselves. We have to let the exploited masses know the truth. We must destroy the spider web built by this exploiting group. Only then will we be able to establish liberal nationalism, which will negate all efforts of a confrontation with "internationalism." Only then can we establish a society free of exploitation, and establish a foundation of a new culture and a new India on the foundation of our glorious past. A nation is not just an area of land to live on or the people living in it. It has a feeling, a personality, and a cultural identity, as well as a life style. This is what nationalism is.

Correspondent Writes on Government Troubles
92AS0630A Madras *THE HINDU* in English 9 Jan 92
p 7

[Quotation marks, boldface words as published]

[Text] New Delhi, Jan 8. The Central Government has run into its first political mine field since Mr. P.V. Narasimha Rao assumed charge as Prime Minister last June, and the trouble comes from a significant body of his own Ministers, rather than any section of the Opposition.

Influential Central Ministers are said to be already panicking at the negative social fallout of the government's economic policies which have whipped up in the space of a few weeks the charges of public transport and prices of coal, bread, milk and other essentials.

The Ministers in question have begun mutual consultations on how best to persuade the Prime Minister to take appropriate steps to contain any likely public disaffection, and political steps at the party level to frame strategies to checkmate the opposition which is bound to go on a rampage if price rise remains unchecked.

But so far they have not approached Mr. Rao directly. This has begun to feed speculation in ruling party circles. Sources sympathetic to the Prime Minister feel the Ministers who are worked up have a hesitation in directly talking to Mr.

Rao because they possibly feel that at the macro level it is difficult for the Government leader to chart any economic course other than the one he has chosen. At the same time, they think the political fallout of the policies being pursued can be very far-reaching.

In the past week, Mr. Sharad Pawar, Mr. Arjun Singh, Mr. B. Shankaranand, Mr. Vijay Bhaskar Reddy, Mr. Balram Jakhar and Mr. Santosh Mohan Deb, besides the Planning Commission chief Mr. Pranab Mukherjee, are understood to be among the prominent leaders expressing open concern in close circles over the likely political ramifications of the economic measures pursued so far.

This category already includes most members of the Cabinet committee on Political Affairs, but Government and party insiders believe the list is much longer, and extends to all levels.

This is giving party managers a headache and the approach of the budget session of Parliament is being viewed with anxiety, even a degree of alarm, for the senior leaders articulating their worry in groups and bunches take their soundings from the ground level.

The informal confabulations, virtually amounting to a protest against the new economic policies which fundamentally alter the stream of thought of 40 years, are not yet being regarded as a revolt. The reason is that the senior Ministers involved constitute an eclectic company, ideologically and politically, and cannot yet be described as a ginger group. They do not represent any particular faction. Some are, indeed, strong supporters of Mr. Rao. But, being political animals, they do wish to sound a warning.

A Minister who has not been part of the circle sounding the alarm, but agrees with them, referred to the Finance Minister, Dr. Manmohan Singh, and the Commerce Minister, Mr. P. Chidambaram, as 'our own Yeltsins'.

Another Minister, holding an important portfolio, confessed to being a supporter of the present economic policies on the ground that 'there is no other way out,' but accepted, nevertheless, that Congress(I) members throughout the country seemed opposed to them, because of the price rise and the anticipated social consequences.

"I get hell from workers, MLAs [members of Legislative Assemblies] and MPs [members of Parliament] wherever I go," he noted sadly.

The Congress(I) workers fear that the Opposition parties would take advantage of the situation and fuel discontent, and pluck the fruit of their labours when it is ripe, i.e. when the next elections come. The BJP [Bharatiya Janata Party], they apprehend, is waiting in the wings to do precisely that.

A Minister considered close to the Prime Minister believes that even if the middle classes and the organised working class can take the shock of the new policies in the short run, the absolute poor in the country, comprising about 30 percent of the population, cannot. Even the National Renewal Fund, meant to alleviate hardships arising out of the pro-market policies, would not be a large enough corpus to bail the poorest out, he added.

Strong lobbies: Congress(I) MPs have not reacted too favourably to the new policies so far. They formed strong lobbies to object to measures like cut in subsidies, especially of fertilisers, in the Monsoon Session of Parliament. During the subsequent Winter Session of Parliament, ruling party MPs repeatedly took the government to task for the new market-friendly approach.

Party managers are worried as to how the agitated MPs would react in the coming Budget Session when crucial measures, ending in the annual budget, have to be voted in. What would happen if absenteeism strikes the ruling party heavily, as it did in the monsoon session last year?

Would the government then be thrown to the mercies of the Opposition to get critical measures passed? Will the government be able to survive such a denouement?

Well-placed government sources say that the Ministers who are critical of the new measures had begun to express their resentment last month itself when the Winter Session

of Parliament had not ended. But the rumblings took concrete shape with the announcement of price increases on a wide front in the new year.

It is understood that even at the meetings of the Congress(I) Working Committee, the Prime Minister has been urged to "take the party into confidence" on new government policies.

Sources believe Mr. Rao would call party MPs in small batches to explain to them his compulsions and to acquaint them with the overall logic of the economic situation. Much closer communication with the party is called for, a Minister noted. If MPs understand the issues clearly, hopefully they would help to carry the message down the line.

At the same time, government sources believe, direct poverty alleviation programmes would have to be given a place of primacy in the next budget for the government to carry conviction.

Stringent Steps To Aid Economic Growth Planned

Finance Minister Speech

92AS0556A Calcutta *THE STATESMAN* in English
4 Jan 92 pp 1, 7

[Article: "Tough Fiscal Steps Ahead: Manmohan"]

[Text] New Delhi, Jan 3—The Minister for Finance, Dr. Manmohan Singh, today, indicated "tough economic measures" to carry the structural reforms to its logical conclusion and "hard decisions" on subsidies and loss-making public sector units in the coming months, reports PTI.

Dr. Singh admitted that 1992-93 would be a year of modest growth, but said if the adjustment process proceeded as planned, the growth momentum as envisaged in the Eighth Plan from 1993-94 onwards would be achieved.

In his keynote address at the silver jubilee function of the Forum of Financial Writers here, Dr. Singh said the next two years would set the country's capacity to stay on course, and added that, right now, it had no other way to go.

In his candid remarks, Dr. Singh said, "Development cannot be sustained by mounting subsidies or on the backs of loss-making public sector units".

He said the structural reforms process had started but much more needed to be done. The next two years were crucial and would require tough measures to contain the inflationary spiral, bring down the fiscal deficit to about three to four percent of the gross domestic product without hurting the rhythm of the growth process.

The Finance Minister said the problems on the balance-of-payments front could not be solved unless the fiscal imbalance was corrected and growth in exports accelerated.

On a note of pessimism, Dr. Singh said the collapse of the Soviet Union had led to total disruption of trade with one of India's largest partners. He said, "As of now, there is a question mark about exports to the defunct Soviet Union".

He said that, outside the erstwhile Soviet Union, India's exports had done moderately well, and added, "We need to do a lot more to ensure that export growth is of an order to make the balance-of-payments position viable".

This would require a major change in the export system and the initial steps in this direction had already been taken, he added.

Tracing the developments and the far-reaching economic measures which the Narasimha Rao Government had initiated since assuming office in the past six months, Dr. Singh said there was no longer a net outflow of non-resident accounts and India was gradually making its impact on international markets. The immediate objective of restoring confidence in the global arena had been achieved, he asserted.

The Finance Minister said the stalemate on foreign direct investments had been broken. Now most people are convinced that there is a change in India while many companies are looking at it with a fresh approach. But to convert them into credible investment proposals will take time. "He admitted that there was an air of hesitancy now and added that 1992-93 was going to be a crucial year. "I do not believe that, in the next five years, foreign direct investments will come in a torrent but will definitely grow", he said.

The support of the international financial institutions would be needed in the next two or three years since "one cannot predict with confidence the flow of foreign direct investments or NRI [nonresidents Indian] credits". He said it would take some time to get an annual inflow of \$1.5 to 2 million from the NRIs as used to happen in the early 1980s.

He said the issue prices of wheat and rice had to be increased as the Government wanted to contain the subsidies at fixed levels. Any increase in subsidies would be a more disastrous route. If the earlier Governments had adjusted fertilizer subsidies substantially, it would not have become a "political issue" today.

He also defended the recent increase in the prices of coal and petroleum products in some States since these were long overdue and should have been effected earlier.

He defended the hike in prices of petroleum products in some States and the increase in administered prices of certain items such as coal. All that the Government had done in the case of petrol was to pass on the surcharge levied by 11 States to the consumers there. He asserted that these surcharges were never meant to be a levy on the Centre's profits.

Coal prices had had to be raised to make adjustments for the increase in wages in the industry in 1988. He regretted that coal prices had not been increased earlier.

The Assocham president, Mr. N. Sankar, in his address, suggested that the Government curtail expenditure on defence, reduce subsidies and remove budgetary support to PSUs to cut down budgetary deficits.

He stressed the need to broadbase and simplify the tax structure and said India had the dubious distinction of being the highest-taxed nation.

Note on 1992-93 Budget

92AS0556B Calcutta *THE STATESMAN* in English
1 Jan 92 pp 1, 9

[Article: "1992-93 Budget; Stiff Steps To Contain Fiscal Deficit Expected"]

[Text] New Delhi, Dec 31—The Finance Minister, Dr. Manmohan Singh, is expected to aim at containing the fiscal deficit in 1992-93 at around Rs[rupees]32,500 crores through stiff measures in his Budget for the next year to boost revenue mobilization and substantially prune expenditure, reports UNI.

The Finance Ministry has estimated that this is the figure that will have to be attained if the promise to bring down the fiscal deficit further to five percent of the GDP [gross domestic product] is to be kept.

This year's Budget had estimated the fiscal deficit for 1991-92 at Rs 37,727 crores, representing 6.5 percent of the GDP, as compared to the previous year's level of Rs 43,331 crores (8.4 percent of the GDP).

According to a note prepared by the Ministry, the fiscal deficit would have to be brought down to five percent through a "combination of revenue and expenditure measures".

The gross fiscal deficit, which is the difference between Government expenditure and net lending on the one hand and current revenue and grants on the other, provides a "complete measure of the macro-economic imbalance", the note points out.

Trends in this regard show that the gross fiscal deficit shot up from 6.2 percent of the GDP in 1980-81 to a high of nine percent in 1986-87.

In the years since then, it came down only marginally to 8.4 percent in 1990-91. Dr. Manmohan Singh's predecessor, Mr. Yashwant Sinha, had begun the efforts to bring down the fiscal deficit gradually and the present Government is hoping to reduce it to around three or four percent of the GDP in the next three years.

According to the note, the present fiscal situation is "unsustainable" and there is a limit beyond which it is simply not possible to meet the deficit by borrowing. "This stage has almost been reached", it says.

The note says that interest payments on accumulated debt would continue to absorb a larger proportion of the Central Government expenditure, necessitating higher borrowings simply to service past debts.

According to the note, the 1991-92 Budget was an essential first step in the direction of correcting the fiscal imbalance.

It had programmed a reduction in the fiscal deficit by about two percentage points of the GDP, which implies a fiscal correction of around Rs 12,000, the note says.

The Budget also sought to reduce non-plan expenditure by almost 15 percent in the current year in relation to what would have had to be provided this year in the absence of correctives.

The note recalls the correctives introduced in the Budget, including reduction in subsidies by increasing fertilizer prices by 30 percent (except for small and marginal farmers) and an increase in the issue price of sugar from Rs 5.25 a kg to Rs 6.10 a kg.

Export subsidy was also reduced by abolishing cash compensatory support. Only a marginal increase of 3.8 percent was allowed in respect of the defence outlay for 1991-92, the note says.

The memorandum of economic policies sent to the IMF by the Finance Ministry in August this year, while seeking a

standby credit of \$2.2 billion, gives a clear indication of how the Government plans to continue the process of fiscal consolidation.

The proposed reduction in the fiscal deficit would include a substantial decline in Union Government net transfers to the rest of the public sector, especially the Central public enterprises.

The memorandum admitted that the target for reducing the fiscal deficit to five percent of the GDP was an "ambitious one", but affirmed the Government's determination to take all possible measures to achieve this objective.

It said reduction of the fiscal deficit would yield the desired results only when the methods of bringing about this was in harmony with reforms in the economic policy and management.

The memorandum said the Government intended to, among other things, initiate a process of comprehensive tax reforms to broaden the base of taxation, reduce levels of and dispersion in import duties, improve compliance and make the entire system of tax administration modern.

Similarly, the Government plans to take a fresh look at the whole area of expenditure, with no major area to be exempted from this scrutiny.

Particular emphasis would be given to transfers and loans to public enterprises, the memorandum.

Missile Program Materiel Exempt From Duty
92AS0555A New Delhi PATRIOT in English
3 Jan 92 p 3

[Article: "No Custom Duty for Missile Development Programme"]

[Text] The Finance Ministry on Thursday exempted machinery, equipment and instruments required for the Defence Ministry's integrated guided missile development programme from basic and additional customs duty for four years, reports UNI.

By a separate notification, auxiliary customs duty on these goods was also removed, officials sources said.

In all, the ministry issued 10 different notifications on Thursday relating to customs duties.

The exemption with regard to the missile development programme also covers components, jigs, fixtures, dies tools, raw materials, accessories and spares.

The sources said the exemption would be available when these goods were imported by work centres of the programme, Government agencies and public sector undertakings as may be designated by an officer not below the rank of a deputy secretary in the Defence Ministry.

The ministry has, by another notification, continued the existing basic customs duty exemption on the bulk drug, ceftriaxone sodium.

The project assessment benefit has been extended to the Kandla Bhatinda pipeline project, keeping in mind the economic development needs of the country.

Three more units of the Defence Ministry have been included among the authorised centres for the purpose of import of goods at nil rate of duty for light combat aircraft programme, the sources said.

These are the project office (materials), Hyderabad, the Kerala hi-tech industries, Trivandrum, and the Minerals and Metals Trading Corporation of India Limited (MMTC).

Under another notification percent basic customs duty and nil additional customs duty have been prescribed on raw materials and components required for manufacture of aircraft to be used for training purposes. [sentence as published]

The auxiliary customs duty on these goods will be 15 percent, the sources said.

The ministry has also restricted the concessional rate of duty of Rs[rupees]215 percent tonne to cement other white portland cement conforming to I S Specification.

As a result of this amendment to notification 1990, while [as published] portland cement will now attract tariff rate, the sources explained.

By another notification, the ministry has restricted the concessional rate of duty available to mini cement plants to only cement other than white portland cement.

The last notification extends full excise duty exemption to "sweetened or flavoured soya milk".

Iron, Steel Prices Decontrolled; Duties Reduced

92AS0613A *Calcutta THE STATESMAN in English*
17 Jan 92 pp 1, 7

[Excerpt] New Delhi, Jan 16—The Government today announced the decontrol of iron and steel prices and abolished the Freight Equalization Scheme. Mr. Santosh Mohan Dev, Minister of State for Steel, said that as part of the liberalization package, the Government has decided to abolish price control on iron and steel while retaining partial distribution control in respect of some sensitive sectors. The order comes into effect from midnight and is expected to boost up steel prices by at least 10 percent.

The Minister explained that the "locational advantage principle" was now being accepted and this was why the Freight Equalization Scheme was being abolished. Now, at the stockyard, either the existing rate of Rs[rupees]955 for a ton of steel or Rs 646 for a ton of pig iron or the actual freight, whichever is lower, will be applicable. The States nearer the steel plants will stand to benefit from this, and the principle of some States subsidizing others will no longer hold good.

Import

Another measure, that of reducing import duties on steel melting scrap, pig iron and certain other categories of steel has also been taken up in order to supplement domestic availability.

These announcements came in the evening after a meeting of the Cabinet Committee on Economic Affairs at noon. Mr. Dev refused to divulge what happened at the meeting on an issue which was hanging fire for the past several weeks and which, reportedly, did not have unanimity in the Cabinet.

The price and distribution mechanism of the Joint Plant Committee, which has been in existence since 1964, has been more or less dispensed with, the Minister said. The requirements of Defence, the small-scale sector, exporters of engineering goods, particularly of the north-eastern region, will, however, continue to be met on priority basis as before, at prices that may be announced by the producers. The Development Commissioner for Iron and Steel will oversee this arrangement, the Minister stated.

Mr. Dev said that the levies on account of the Steel Development Fund, Engineering Goods Export Assistance Fund and the Joint Plant Committees will continue to be realized by the Joint Plant Committee on the ex-work prices of the integrated steel plants (except IISCO).

The Minister pointed out that the main producers—SAIL [Steel Authority of India], RSP [Rourkela steel plant] and TISCO [Tata Iron and Steel Company]—have been advised to fix ex-stockyard prices on the basis of the actual freight or the present freight element, whichever is less.

(According to PTI, the SAIL tonight ruled out any immediate change in the prices of iron and steel following the Government's decision on decontrol. The SAIL chairman, Mr. R.P. Jain, said in a Press release tonight that their stockyards would continue to sell iron and steel materials at existing prices with adjustments based on the actual freight incurred, subject to the maximum ceiling of freight equalization rates. He, however, welcomed the decision.)

Duty Reduction

The new customs duty reduction rates announced are: import duty on pig iron has been brought down to 35 percent from 55 percent; mild steel billets to 45 percent from 65 percent; hot boiled coils to 45 percent from 65 percent and steel melting scrap to 10 percent from 35 percent.

The Minister said these measures would result in improved efficiency and international competitiveness. Asked if the measures would lead to a rise in the prices of iron and steel, the Minister replied: "TISCO and the integrated steel plants have agreed that there is to be no immediate rise." He added that the measures would enable the public sector and the integrated steel plants to generate resources for their modernization and expansion programmes. [passages omitted]

Policy on Capital Goods Import Relaxed
92AS0551A Bombay *THE TIMES OF INDIA*
in English 10 Jan 92 p 15

[Article: "Import of Capital Goods With Licence Allowed"]

[Text] New Delhi, January 9 (PTI). The government today decided to further relax its trade policy by allowing import of capital goods against foreign equity without licence.

An official press release said the requirement of licence for import of capital goods under the scheme of direct foreign investment up to 51 percent foreign equity in high priority industries had been done away with.

It said import of OGL [Open General Letter] capital goods, non-OGL capital goods and restricted capital goods would be allowed without a specific licence on the basis of the clearance given by the Reserve Bank of India (RBI).

This would however be applicable only where foreign exchange for import of the capital goods was fully covered by the foreign equity.

The press release said no attestation of the list of capital goods shall be required and the customs authorities would allow clearance on the basis of the clearance by the RBI and a self-declaration from the importer that the capital goods imported were new.

It said import of capital goods against foreign equity would be only for actual use. However, a self-declaration to this effect given by the importer to the customs or the RBI would suffice.

As a measure of rationalisation, payment for import of capital goods might also be allowed to be made directly in the foreign country by the foreign investor. Such payment would be treated as his contribution to the foreign equity of the company.

It said for this purpose exchange rate would be rate prevailing on the date of payment for the capital goods in the foreign country. In such cases, details of imports and payments made shall be communicated to the RBI.

The press release said the above provision would also be applicable in cases of imports of capital goods against equity participation by the non-resident Indians.

The new trade policy announced in July last had made a provision for grant of licences for import of non-restricted new capital goods automatically without advertisement procedure, without certification of essentiality, without clearance from indigenous availability angle as well as without approval of the concerned capital goods in cases where foreign exchange for import of capital goods was fully covered by foreign equity.

Under this scheme of foreign equity OGL capital goods were also importable though without a licence but with the clearance of Reserve Bank of India.

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